

2017 1H Interim Results

Fubon Financial Holdings

2017.08.25

This meeting may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. These forward-looking statements represent the company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed. Certain statements, such as those that include the words "potential", "estimated", and similar expressions or variations on such expressions may be considered "forward-looking statements". Financial numbers in this report may include preliminary unaudited numbers or management accounts.



- ***Performance highlights of Fubon Financial Holdings***

- ***Performance review by subsidiary***

- *Taipei Fubon Bank*
- *Fubon Life*
- *Fubon Insurance*
- *Fubon Securities*
- *Overseas banking operation*



Net profits reached NT\$18,690 million in 6M17, down 21.2% yoy, due to FX losses and hedging costs on the back of NT dollar appreciation.

Taipei Fubon Bank

- Net interest revenue maintains steady growth with sound loan growth momentum
- Asset quality remains benign

Fubon Life

- Pre-hedge investment performance remains stable while FX losses and hedging cost rise along with NT dollar appreciation
- Contribution of renewal premium increases

Fubon Insurance

- Leading position in premium income with 23.9% market share
- Underwriting performance outstanding

Fubon Securities

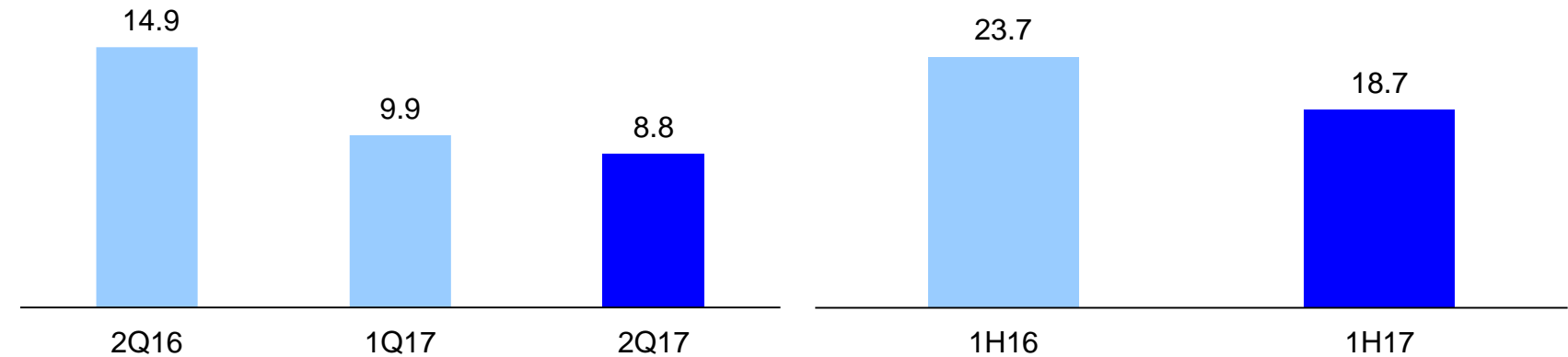
- Stable market share across business lines
- Wealth management business development, aiming to be regional ETF market leader

Fubon Financial Holdings: Profitability



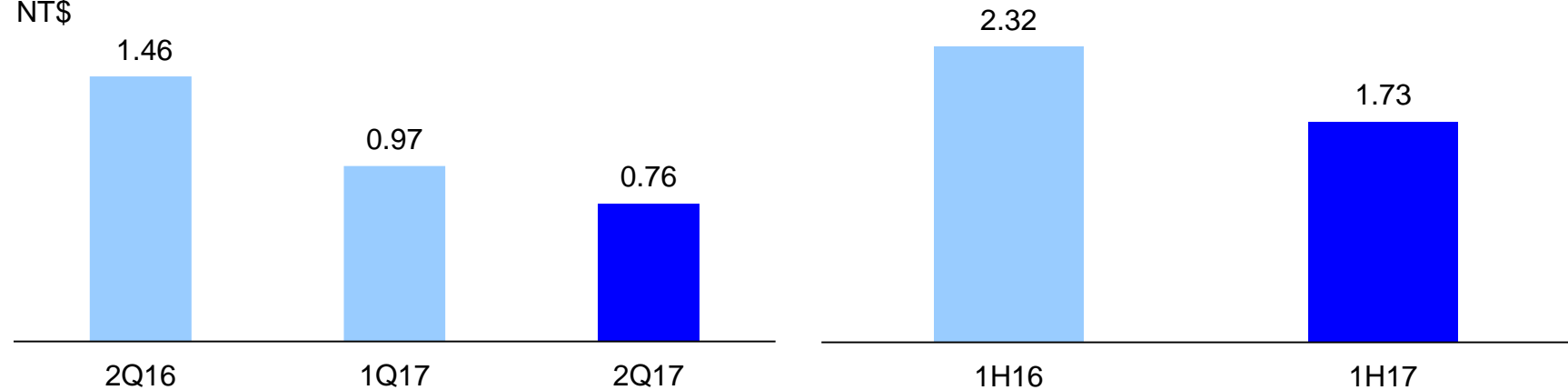
Net profits

NT\$bn



Earning per share (EPS)

NT\$



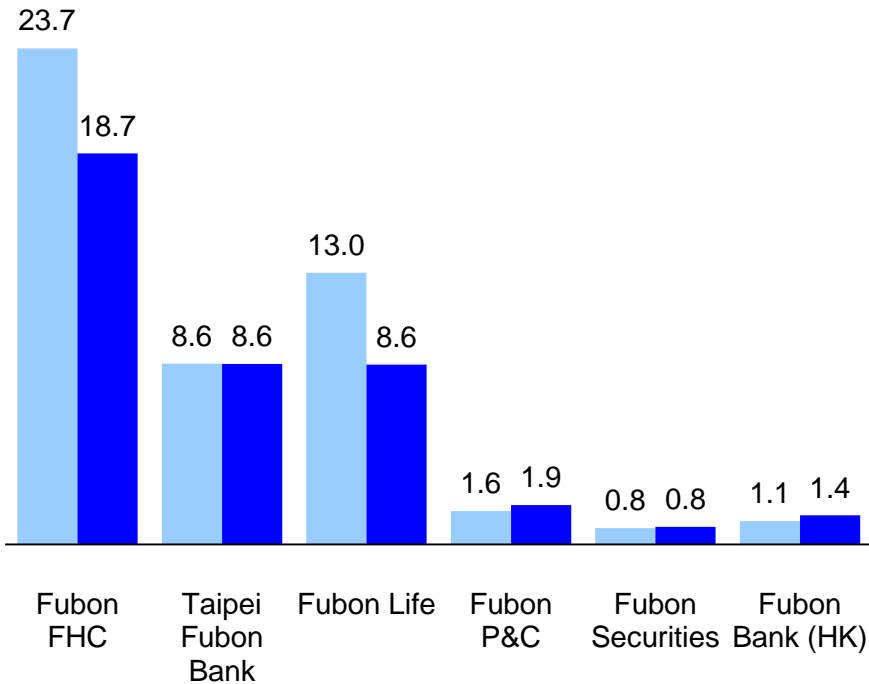
Fubon Financial Holdings: Net profits from major subsidiaries



Net profits from major subsidiaries

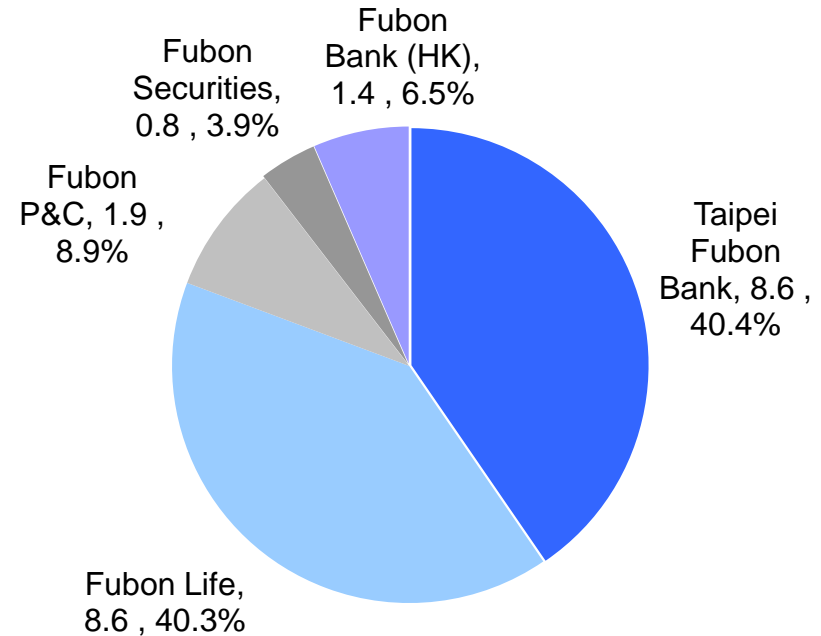
NT\$bn

■ 1H16 ■ 1H17



Profit contribution from major subsidiaries

NT\$bn



Note:

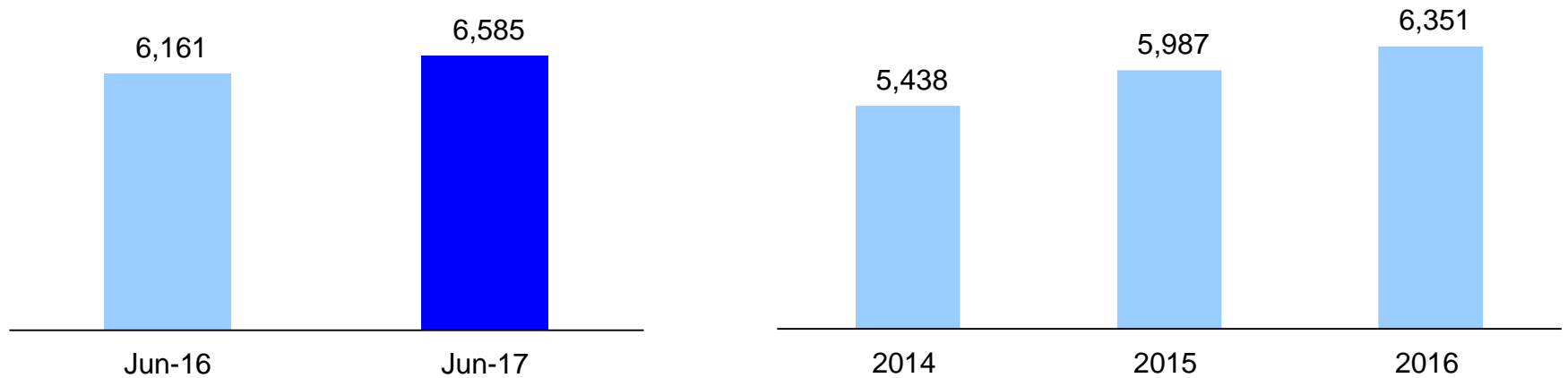
(1) Profit contribution are based on the summation of five major subsidiaries; (2) Fubon Bank (China) contributed NT\$241mn net profits to the Company on the basis of 100% shareholding.

Fubon Financial Holdings: Asset and net worth



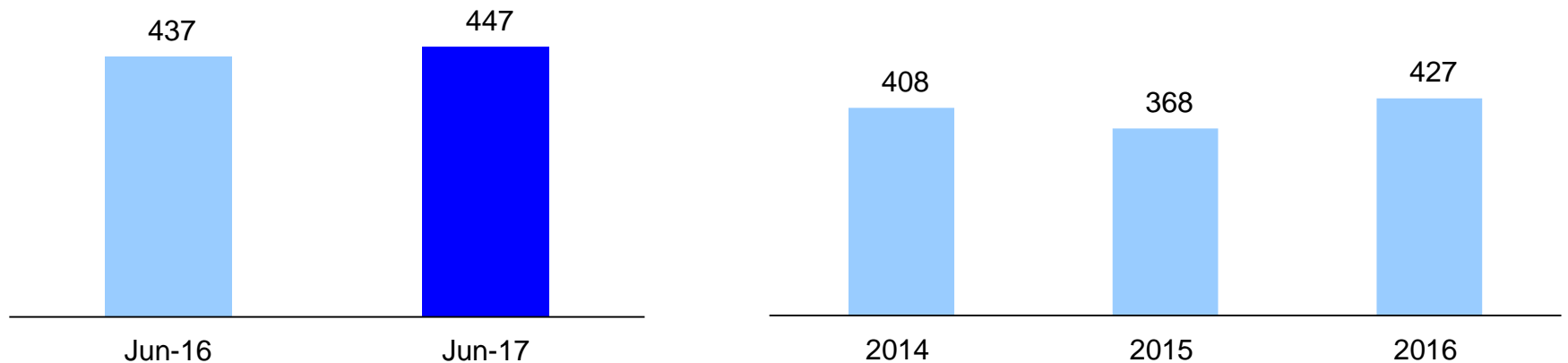
Total assets

NT\$bn



Equity attributable to parent company

NT\$bn

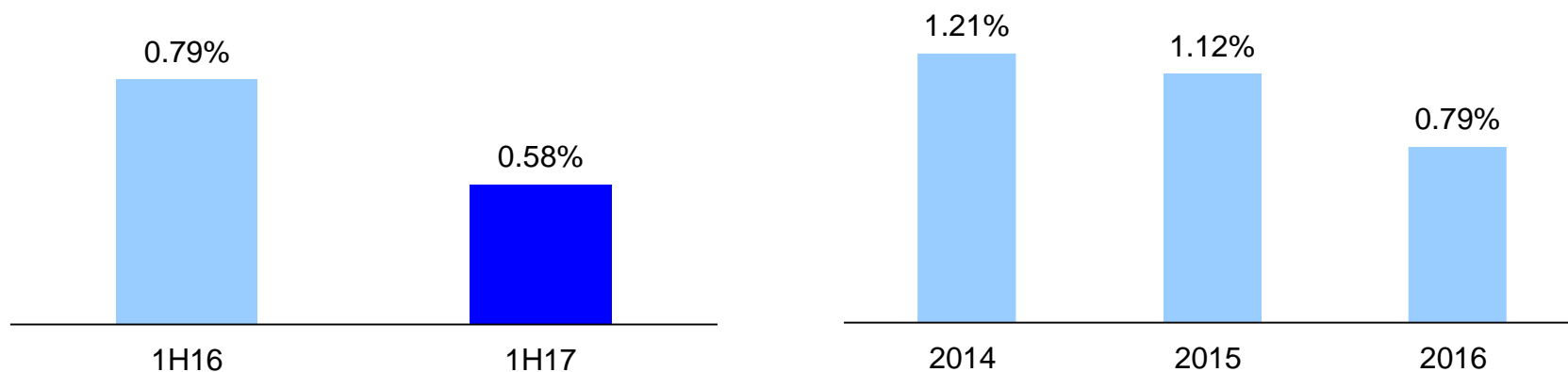


Note: Fubon adopted fair value method for investment property evaluation since September 2014.

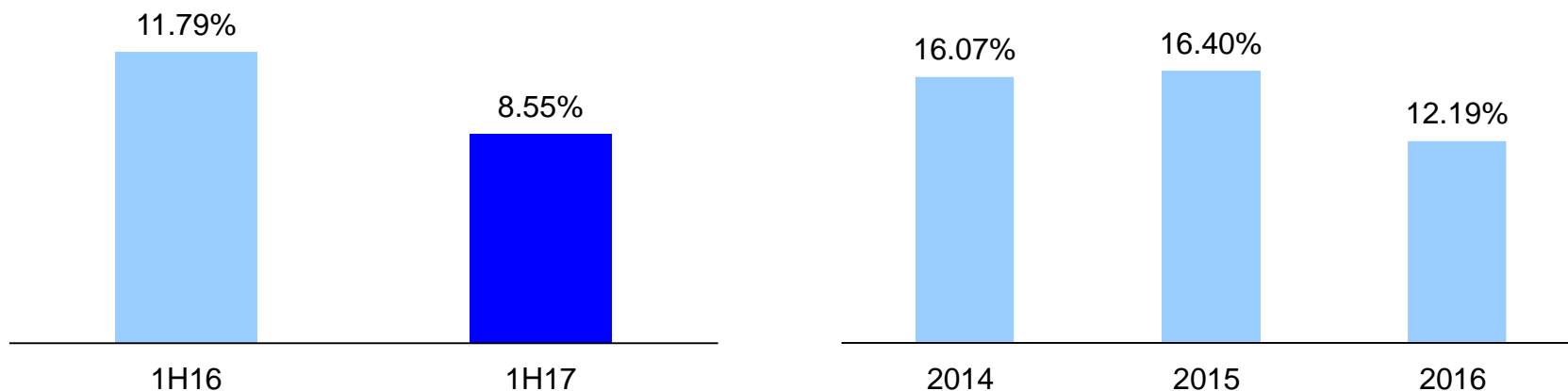
Fubon Financial Holdings: ROA & ROE



ROA



ROE



Note: Fubon adopted fair value method for investment property evaluation since September 2014.

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- *Fubon Securities*

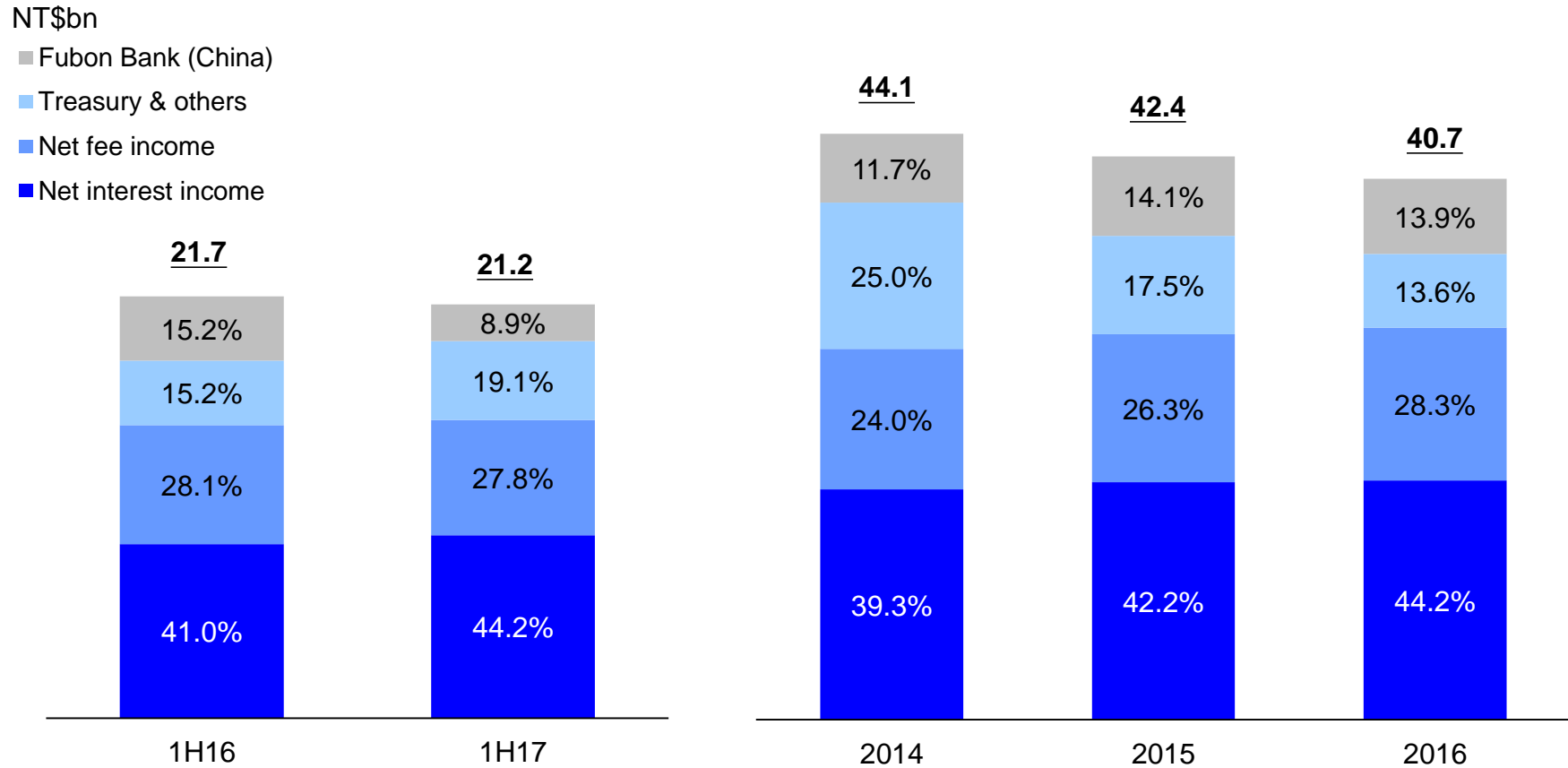
- *Overseas banking operation*

Taipei Fubon Bank: Revenue



- Core revenue maintains steady growth

Revenue composition of Taipei Fubon Bank



Note: Consolidated basis; Fubon Bank (China) accounted starting from Jan. 7th, 2014

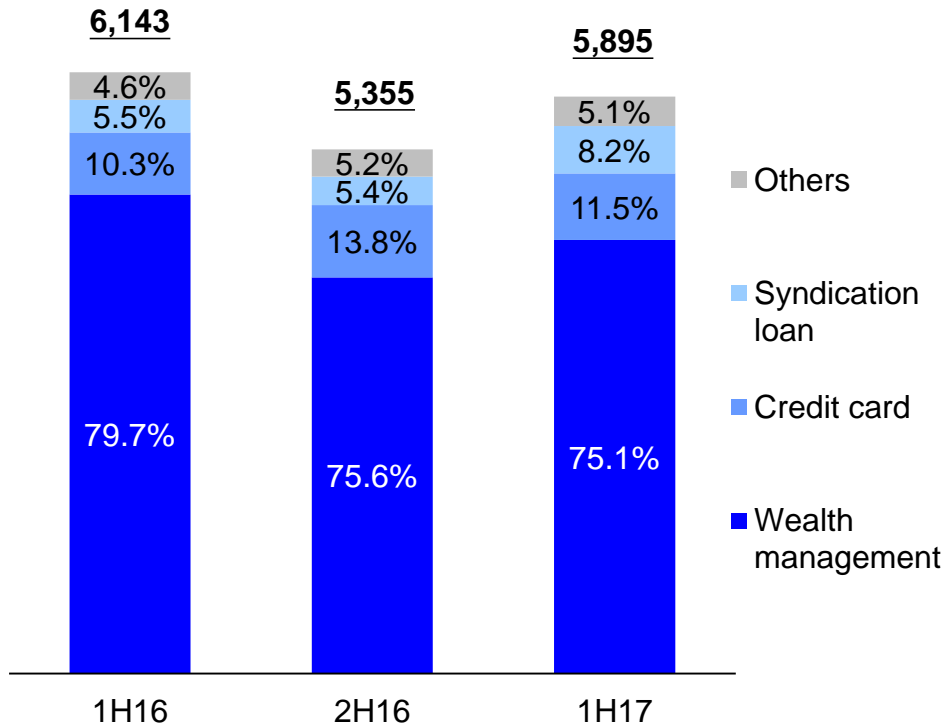
Taipei Fubon Bank: Fee and wealth management revenue



- Sound growth momentum in credit card and syndication loan business
- Wealth management product sales volume continue growing

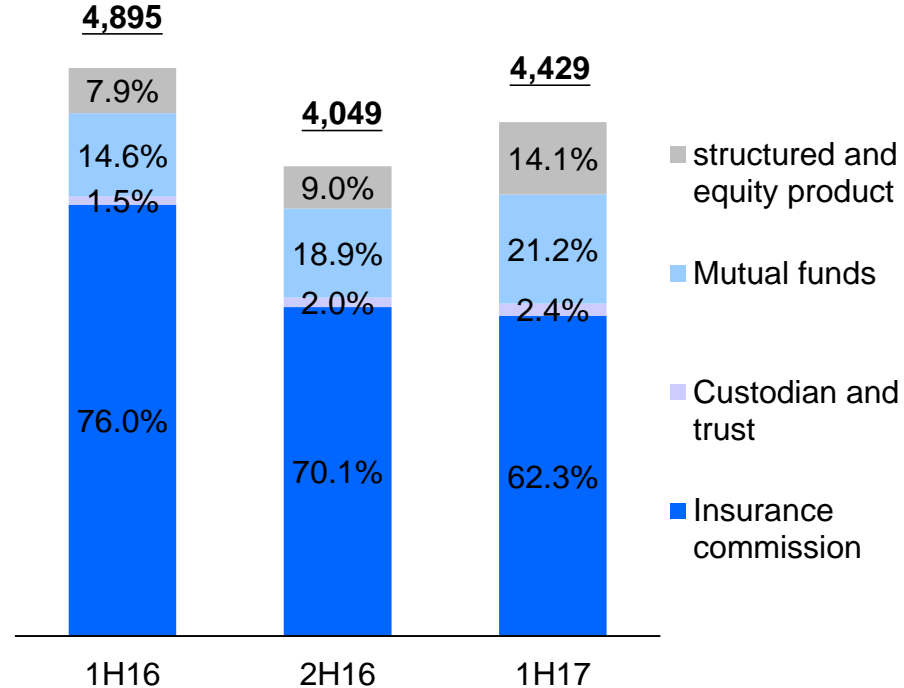
Sources of fee revenue

NT\$m



Wealth management fee

NT\$m



Note: (1) Wealth management revenue includes fee in the chart and other income (1H17: NT\$161mn; 2H16: NT\$129mn; 1H16: NT\$169mn)

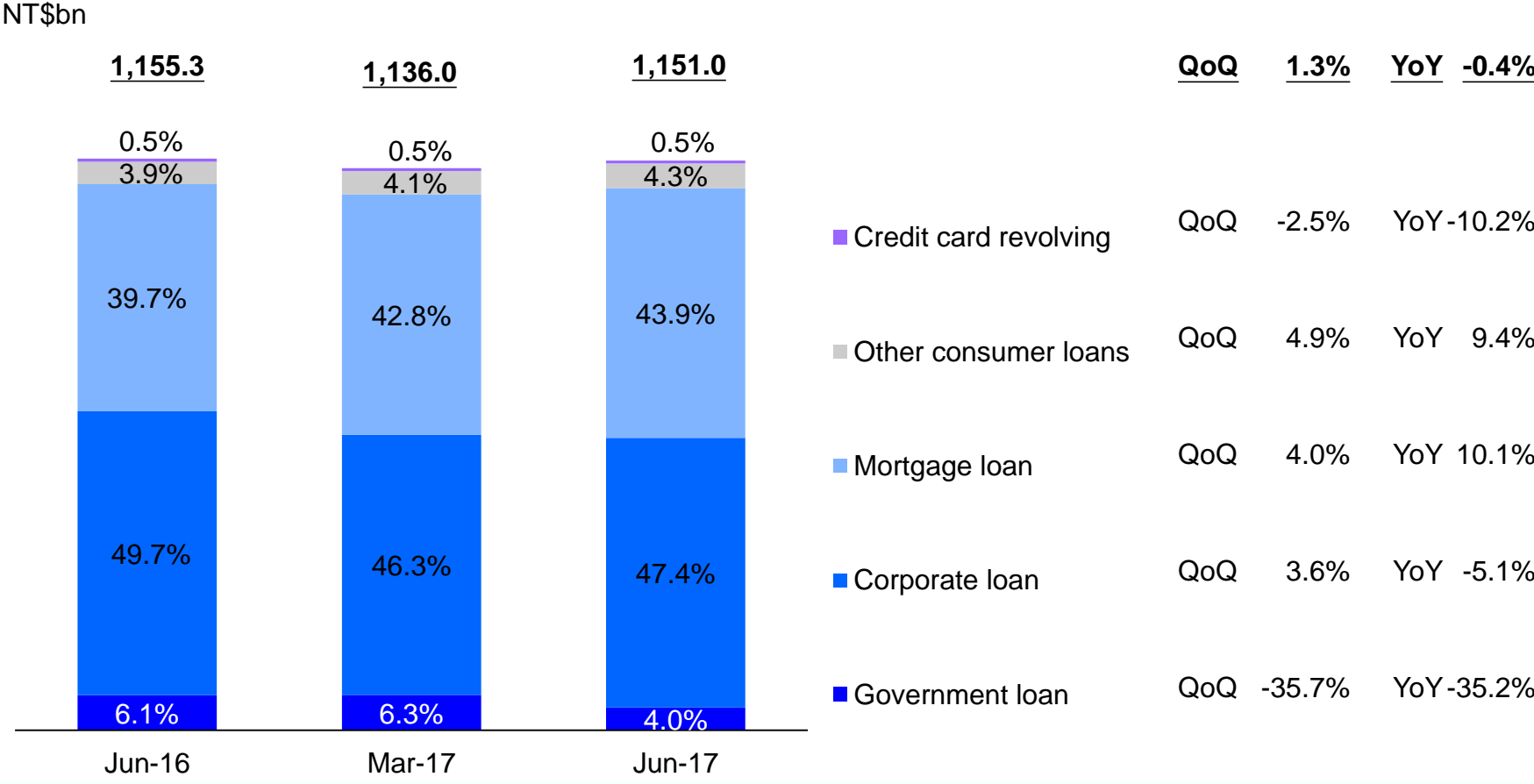
(2) Data are stand-alone basis in page 11-16

Taipei Fubon Bank: Loan composition



- Mortgages and consumer loans growth outperformed industry with increasing contribution
- Corporate loans momentum recovering, up 3.6% QoQ

Loans by type



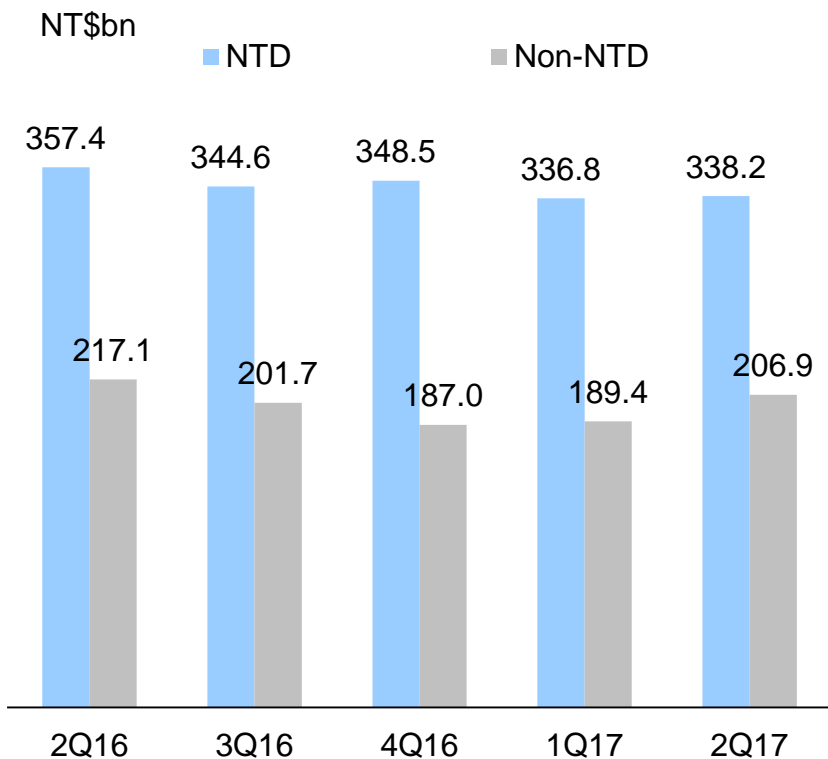
Note: Ending balance

Taipei Fubon Bank: Corporate credit



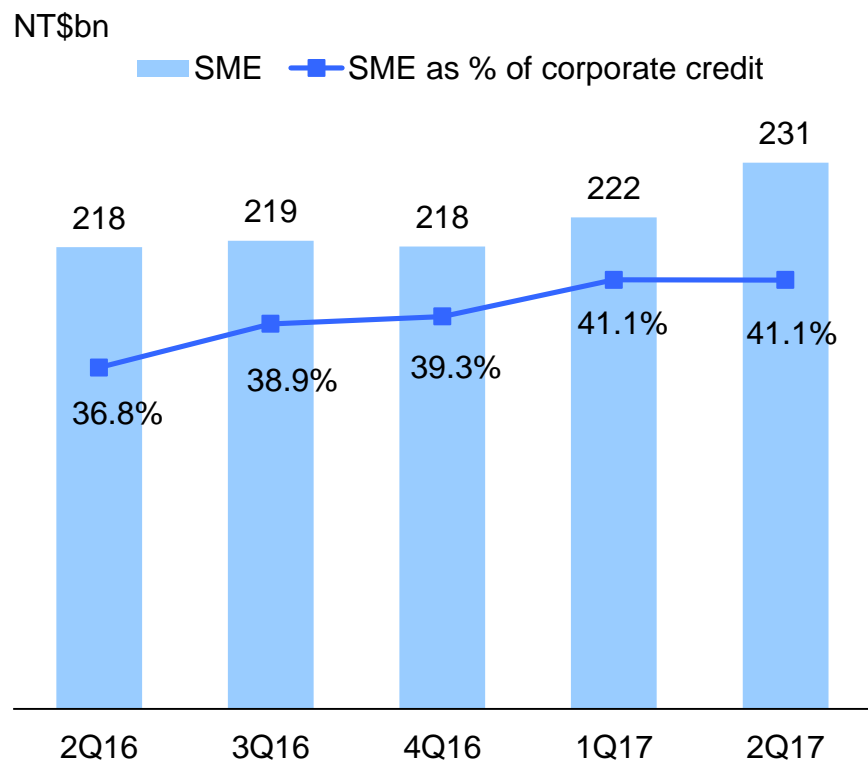
- Foreign currency loans up by 10.6% from the trough at end-2016, mainly from overseas branches
- SME credit continues growing, with 4% QoQ growth, and maintaining steady contributions

Corporate loan by currency



Note: Ending balance

SME credit and as % of corporate credit

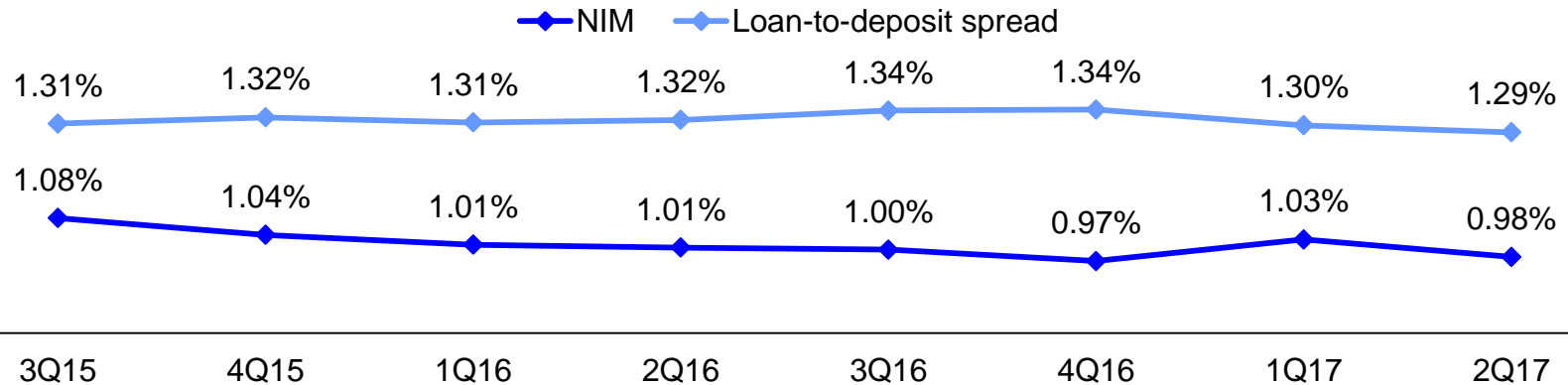


Note: Corporate credit include loan and trade finance

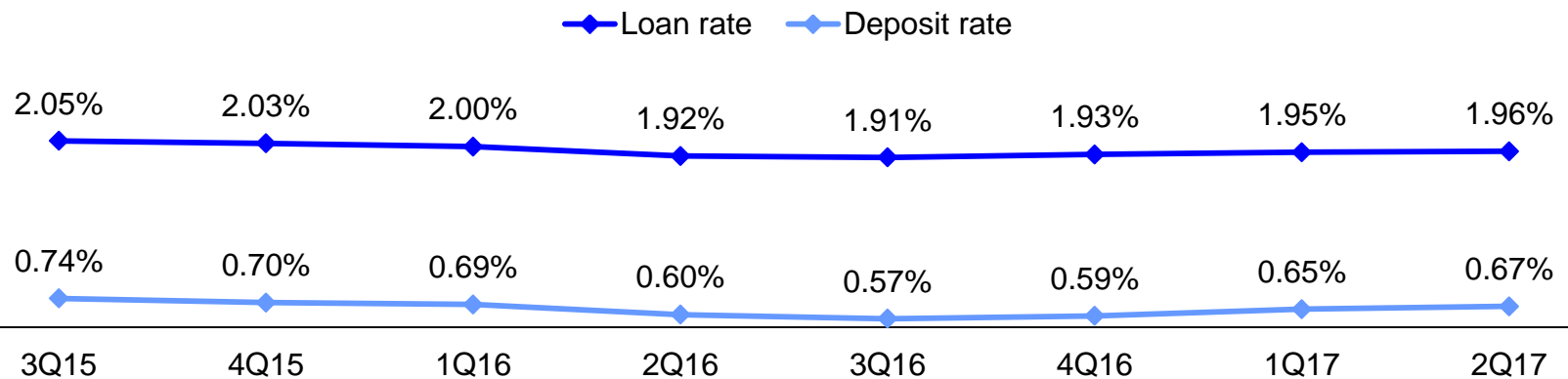
Taipei Fubon Bank: Interest yield and margin



NIM and loan-to-deposit spread



Loan yield and deposit yield

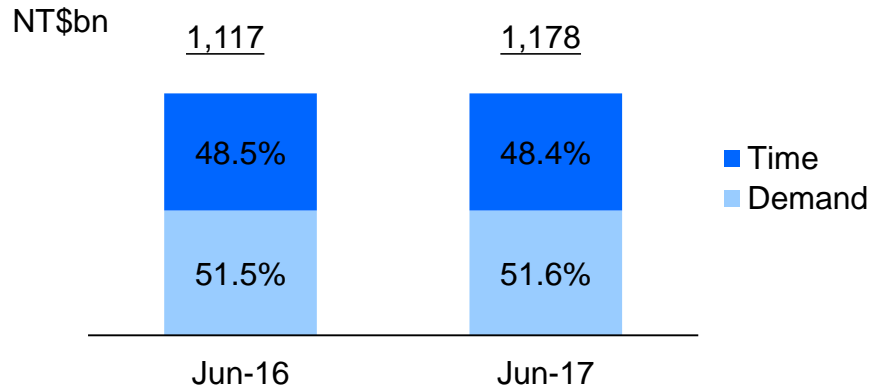


Note: Loan rate calculation inclusive of credit card revolving

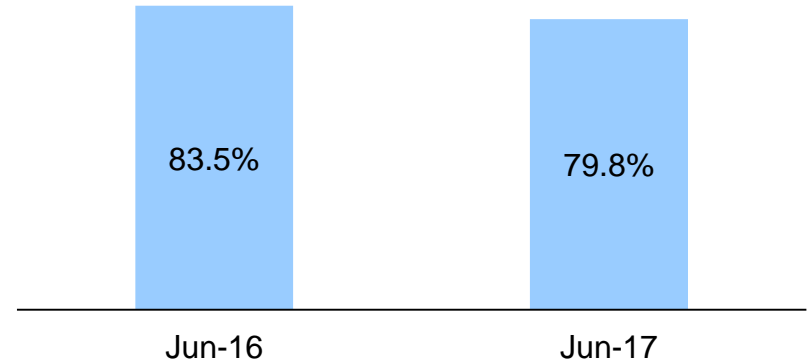
Taipei Fubon Bank: Deposit mix and LDR



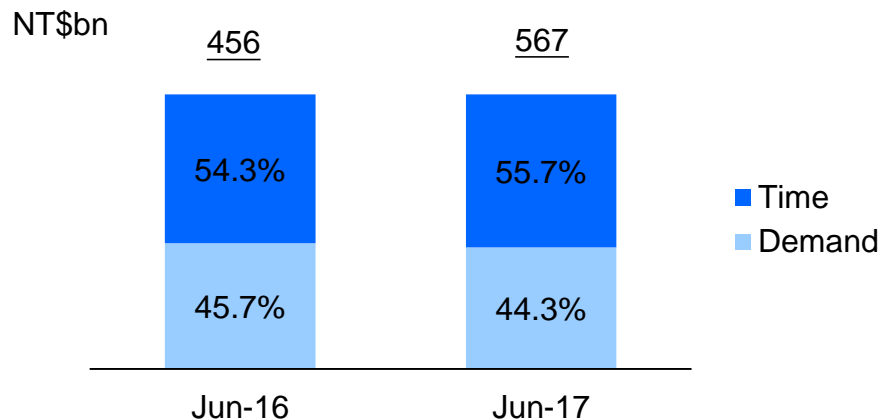
Deposit mix in NTD



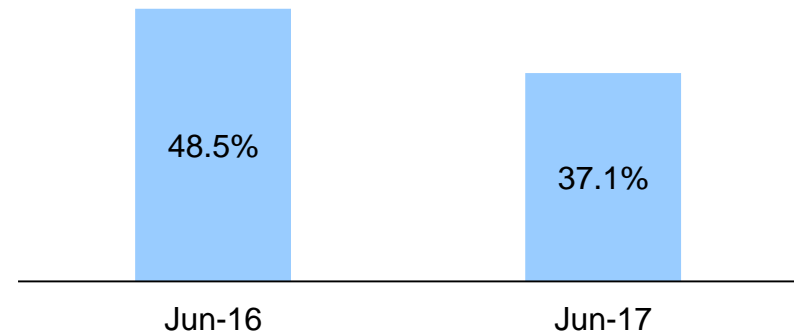
NTD loan-to-deposit ratio (LDR)



Deposit mix in foreign currency



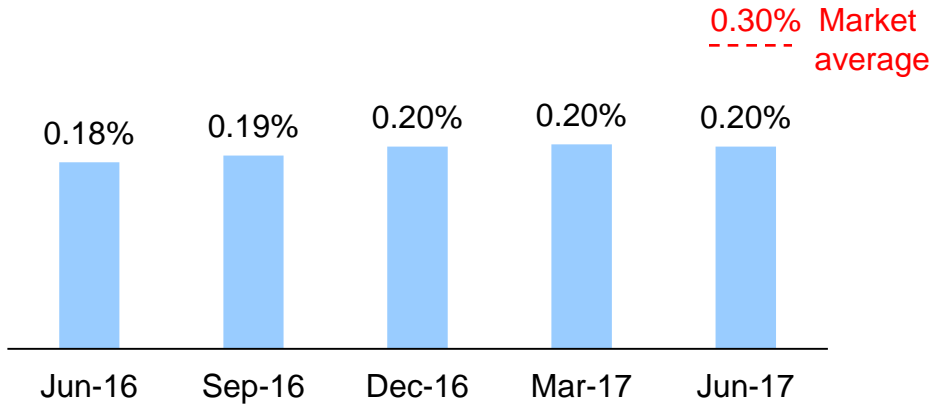
Foreign currency LDR



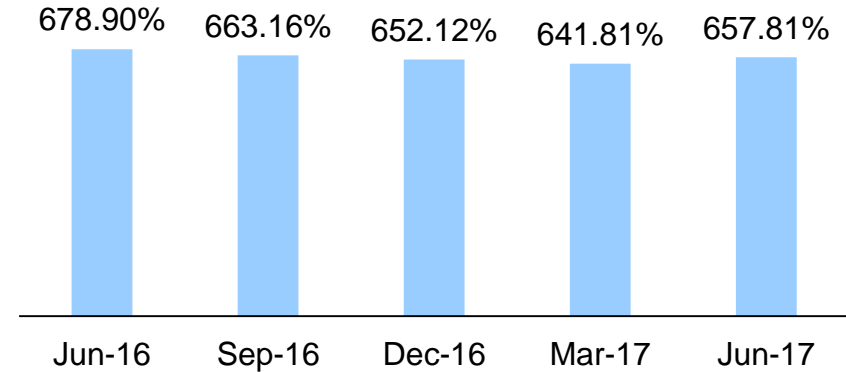
Taipei Fubon Bank: Asset quality



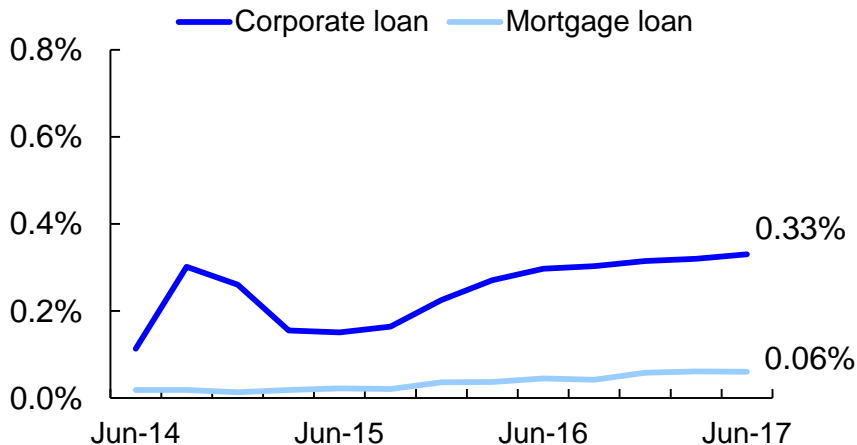
NPL ratio



Coverage ratio

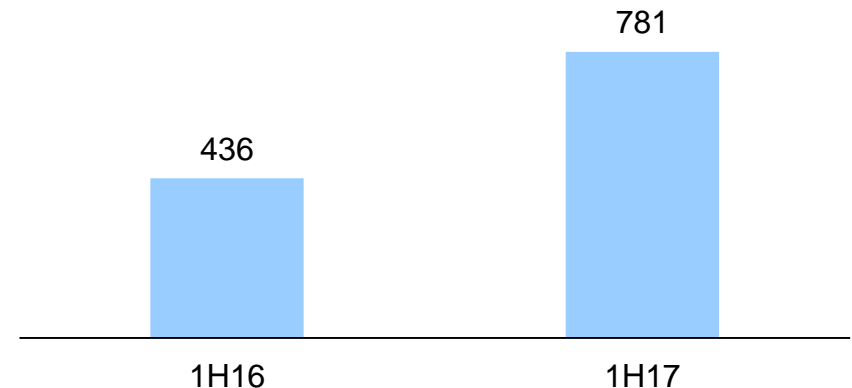


NPL ratio by business



Net provision

NT\$m



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 - *Overseas banking operation*

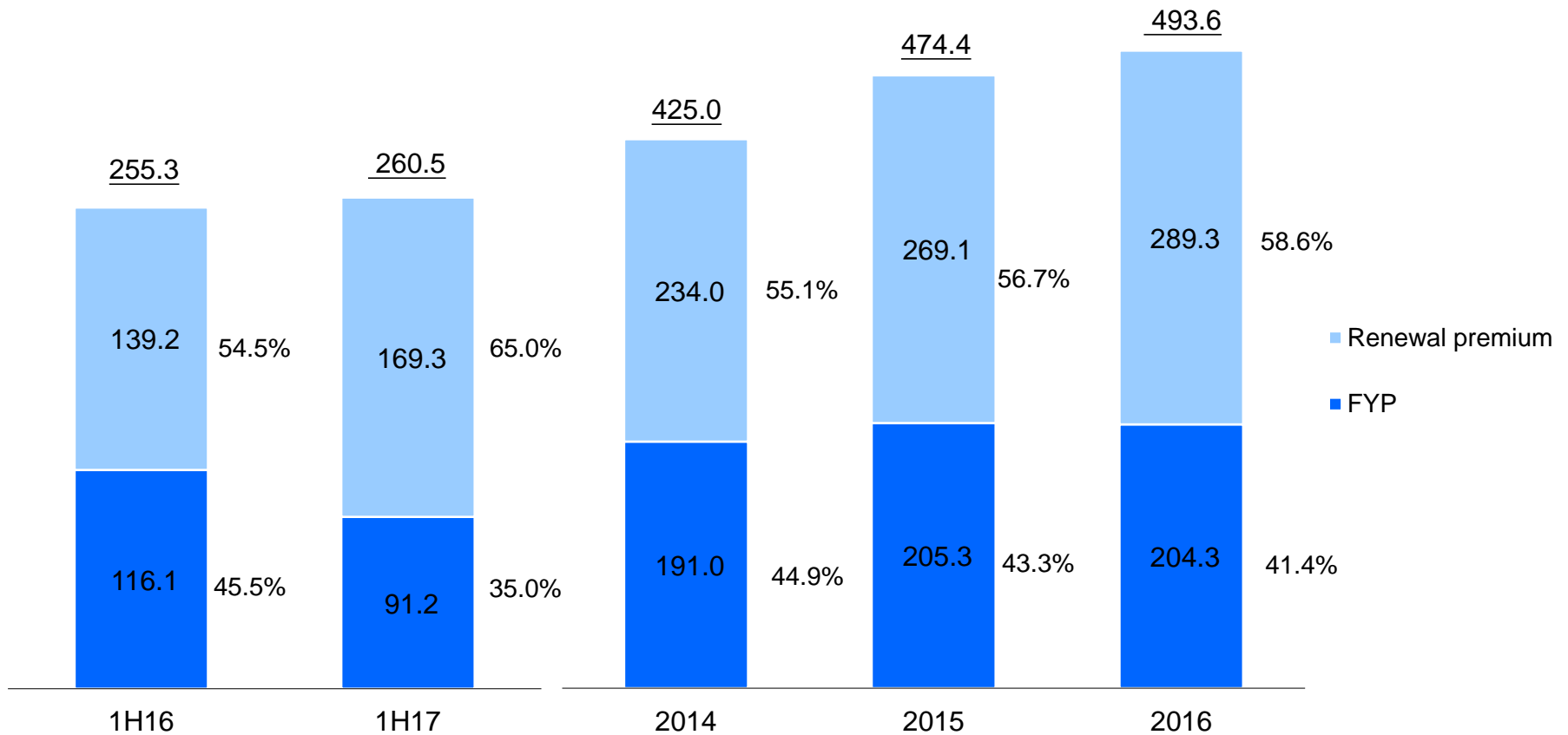


Fubon Life: Total premium



■ 2% yoy growth in total premium income and 22% growth in renewal premium

NT\$bn



Fubon Life: First year premium (FYP)



- Contributions from traditional policies sales reached 78.8%

FYP composition

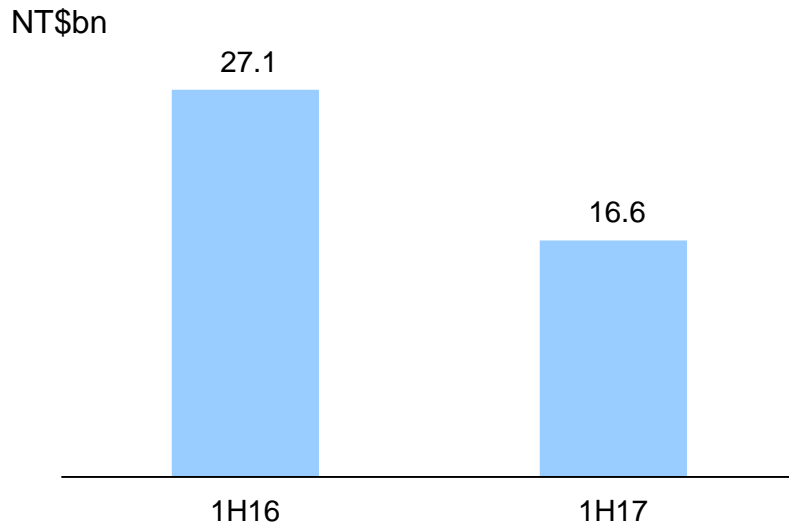
NT\$bn	1Q17	2Q17	1H17	%	1H16	%	YoY growth
Traditional life: Regular-paid	20.5	11.6	32.1	35.2%	48.8	42.1%	-34.3%
Traditional life: Single-paid	20.0	19.8	39.7	43.6%	41.8	36.0%	-4.9%
Interest-sensitive annuity	1.3	1.8	3.2	3.5%	13.9	12.0%	-77.2%
Investment-linked	4.4	7.6	12.0	13.1%	5.6	4.8%	114.7%
Health, accidents and others	2.2	2.0	4.2	4.6%	5.9	5.1%	-28.9%
Total	48.4	42.8	91.2	100.0%	116.1	100.0%	-21.4%

Fubon Life: Value of new business (VNB) & First year premium equivalent (FYPE)



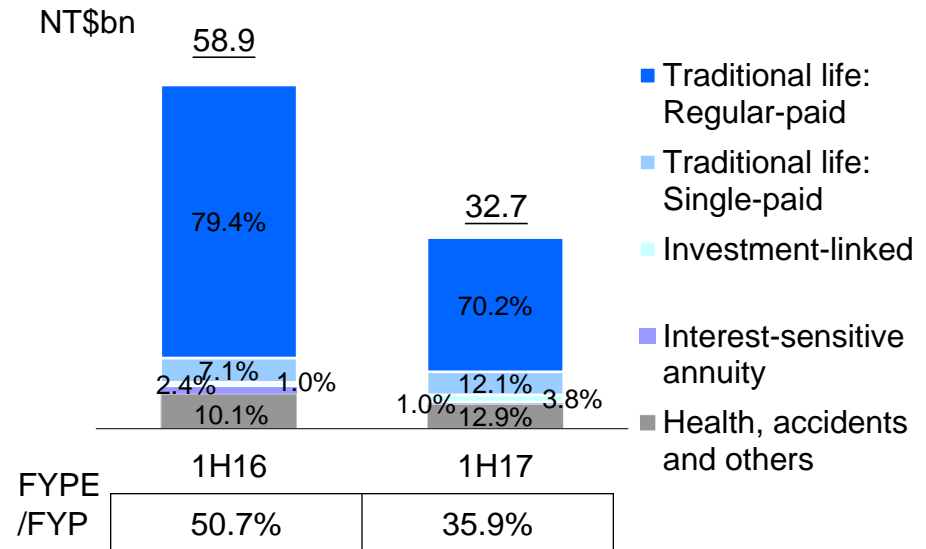
- FYPE reached NT\$32.7 billion in 6M17, with balanced distribution channel
- VNB/FYPE ratio improved thanks to stable contributions from traditional regular-paid policies

VNB

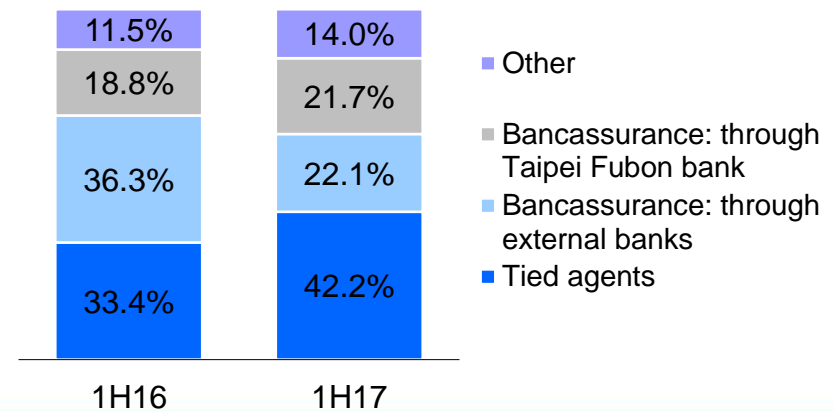


VNB/FYP	23.4%	18.2%
VNB/FYPE	46.1%	50.7%

FYPE



FYPE by channel



Note: 1H17 VNB is based on 2016 EV actuarial assumptions

Fubon Life: Composition of investment income



- Investment income mainly came from recurring revenue
- Capital gains performance remains decent

NT\$bn	1H16	1H17	YoY	2014	2015	2016
Recurring investment income	49.9	50.2	0.6%	88.7	101.0	106.1
Cash dividend income from equity investment	4.4	3.0	-31.9%	12.6	16.5	14.9
Realized gains from fixed income investment	13.6	7.7	-43.4%	12.1	9.9	23.9
Realized gains from equity investment	3.7	13.0	256.2%	14.0	22.6	10.3
FX and others	-6.9	-18.3	163.2%	-6.4	-3.6	-15.7
Investment property fair value movement	0.6	0.0	-92.6%	1.4	0.4	-0.3
Investment income	60.8	52.6	-13.6%	109.9	130.3	124.3
Total investment assets	2,992.1	3,263.3	9.1%	2,588.0	2,814.0	3,118.4
Investment Return	4.33%	3.37%	-	4.74%	4.97%	4.30%

Fubon Life: Investment portfolio



- Steady growth of investment book
- Investment portfolio repositioned in response to market volatility

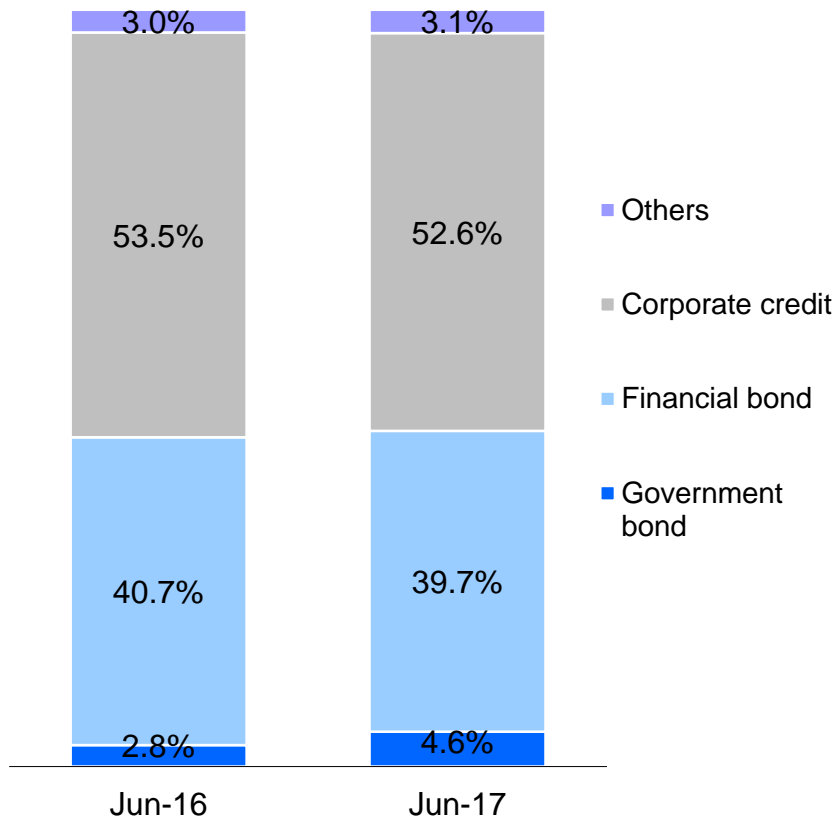
	2016/6/30		2017/03/31		2017/06/30	
NT\$bn						
Deposit and cash equivalent	228.8	7.6%	142.8	4.6%	124.4	3.8%
Domestic fixed income	465.5	15.6%	445.1	14.3%	431.8	13.2%
Overseas fixed income*	1,543.4	51.6%	1,667.9	53.5%	1,745.5	53.5%
Domestic equity	223.1	7.5%	293.5	9.4%	364.9	11.2%
Overseas equity	174.7	5.8%	191.6	6.1%	210.2	6.4%
Mortgage loans	91.9	3.1%	112.7	3.6%	118.9	3.6%
Policy loans	56.6	1.9%	58.4	1.9%	59.8	1.8%
Real estate	208.1	7.0%	206.1	6.6%	207.8	6.4%
Total Investments	2,992.1	100.0%	3,118.1	100.0%	3,263.3	100.0%
Domestic	1,202.6	40.2%	1,184.1	38.0%	1,234.4	37.8%
Overseas*	1,789.5	59.8%	1,934.0	62.0%	2,028.9	62.2%

Note: *Including OTC-listed international bond, the international bonds investment reached 15.0% of total investment assets as of 2017/06/30

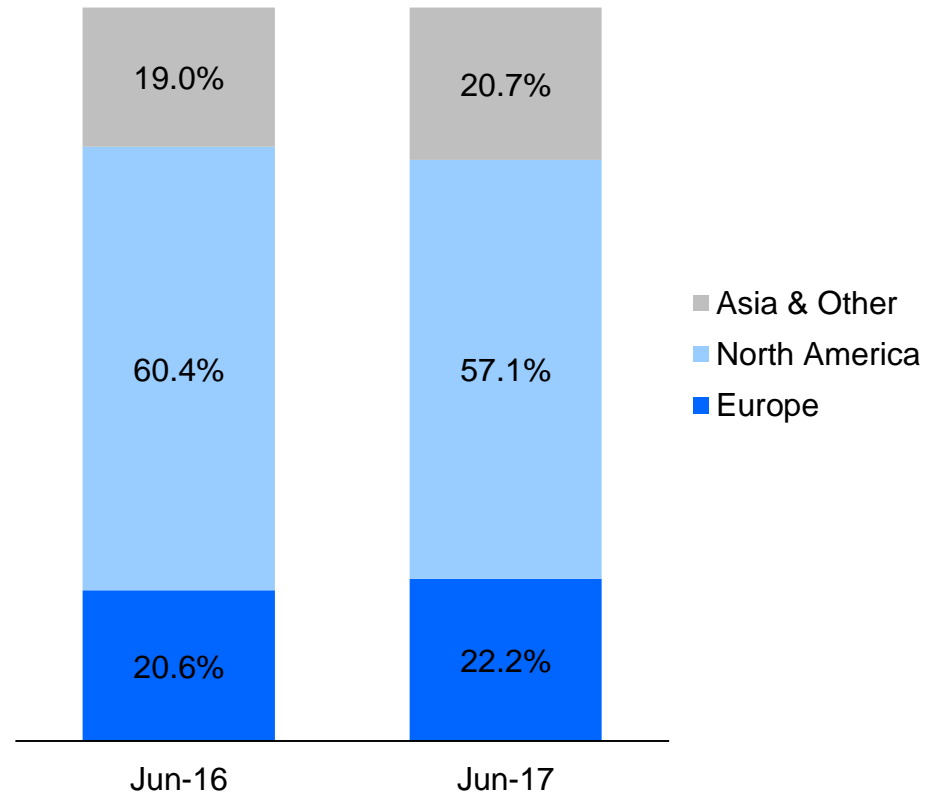
Fubon Life: Portfolio of overseas fixed income



Overseas fixed income by asset type



Overseas fixed income by region

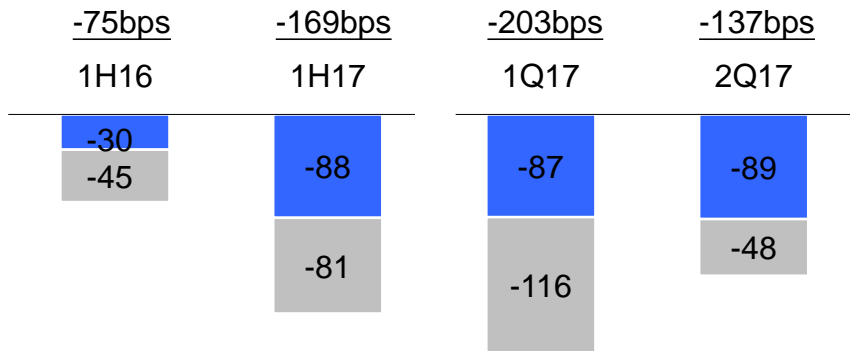


Fubon Life: Hedging composition



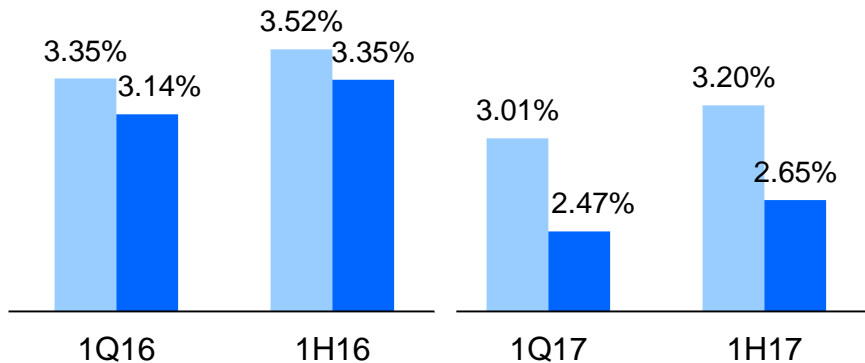
Hedging cost & FX gain/loss

■ CS+NDF cost ■ FX gain/loss & net provision of FX reserve

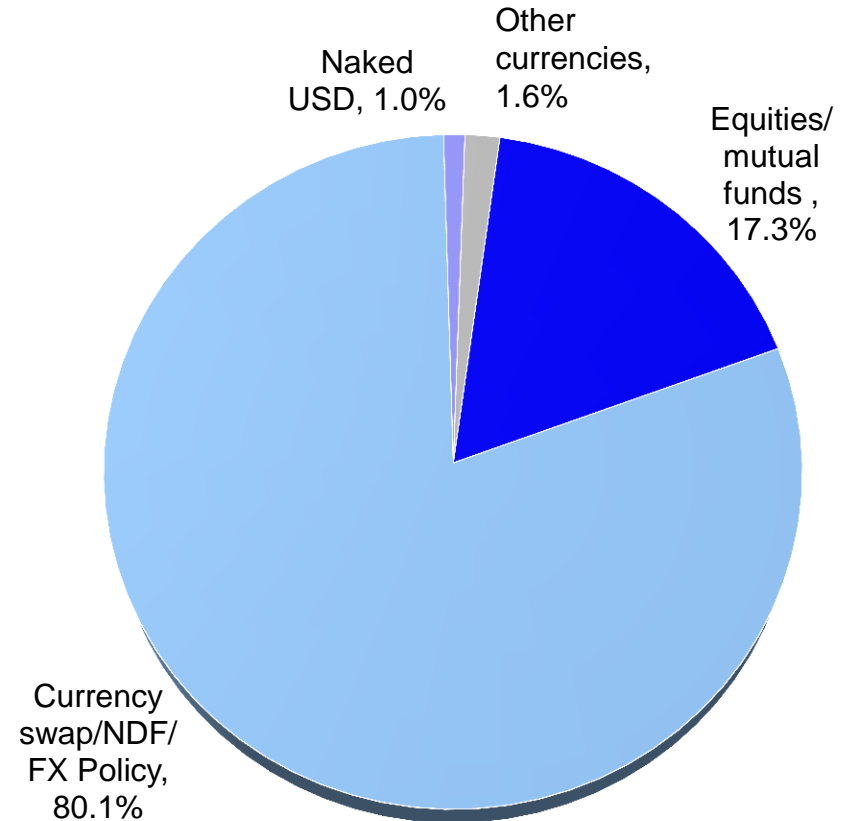


Recurring return

■ Before hedge ■ After hedge



FX position

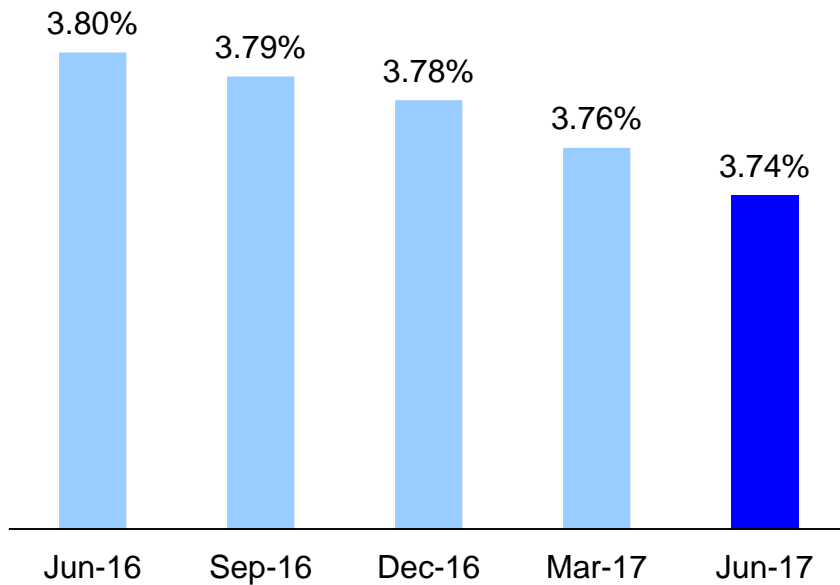


Fubon Life: Cost of liability & Breakeven point

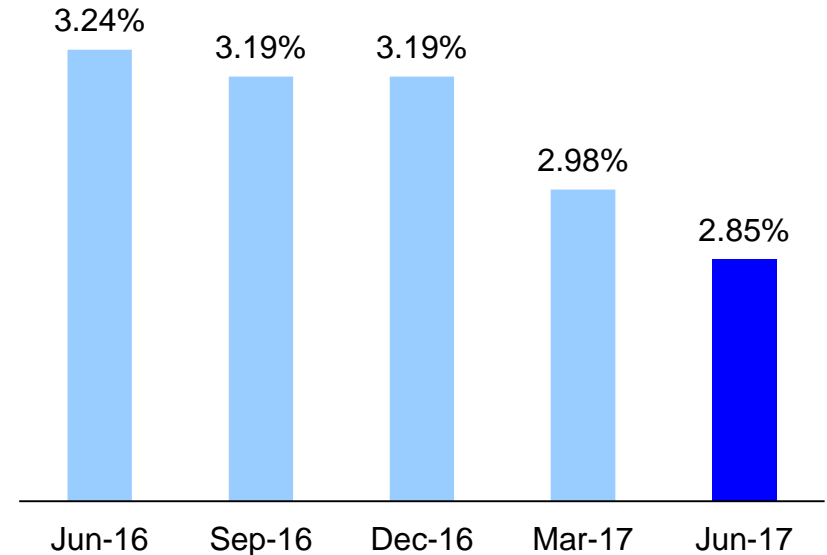


- Cost of liability improvement continues
- Breakeven point improvement due to improving cost structure

Cost of liability



Breakeven point



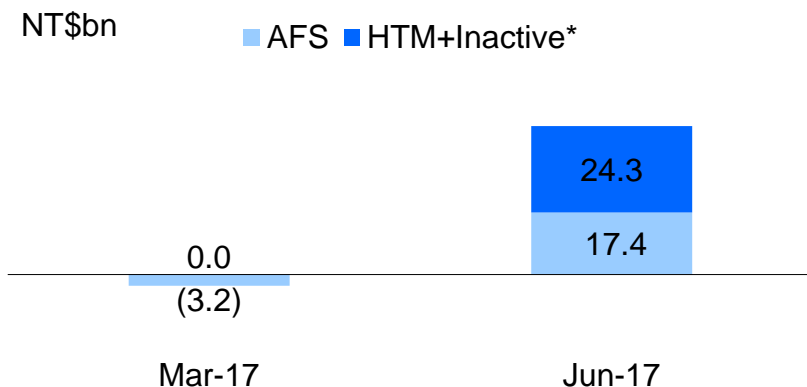
$$\text{Breakeven point} = (\text{Profit before tax} - \text{Investment income}) / \text{Average investment assets}$$

Fubon Life: Investment performance

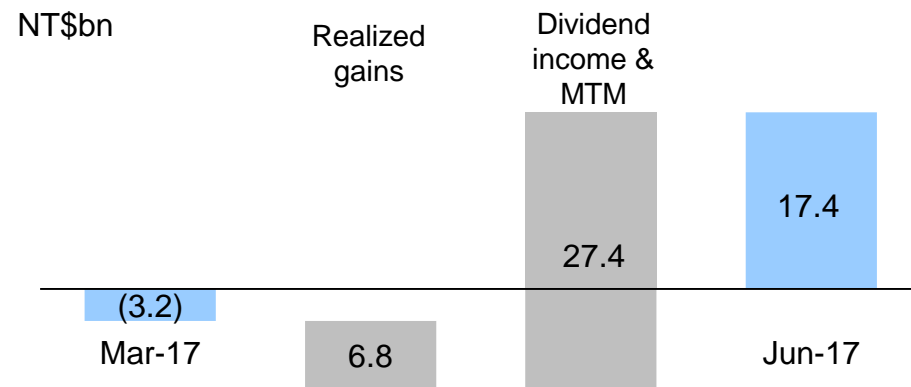


■ Improvement in unrealized position

Unrealized outstanding

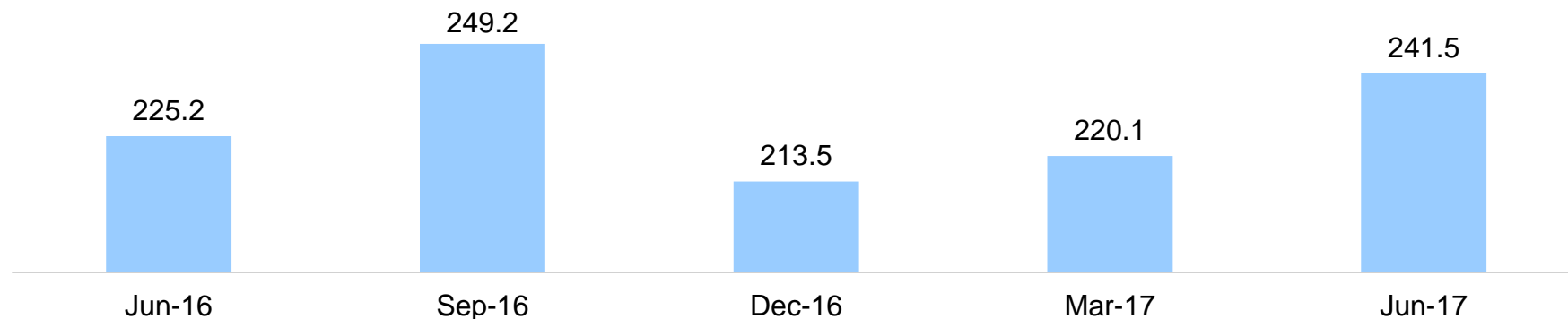


Movement of unrealized gains from AFS assets



Note: *before tax basis

Net Worth



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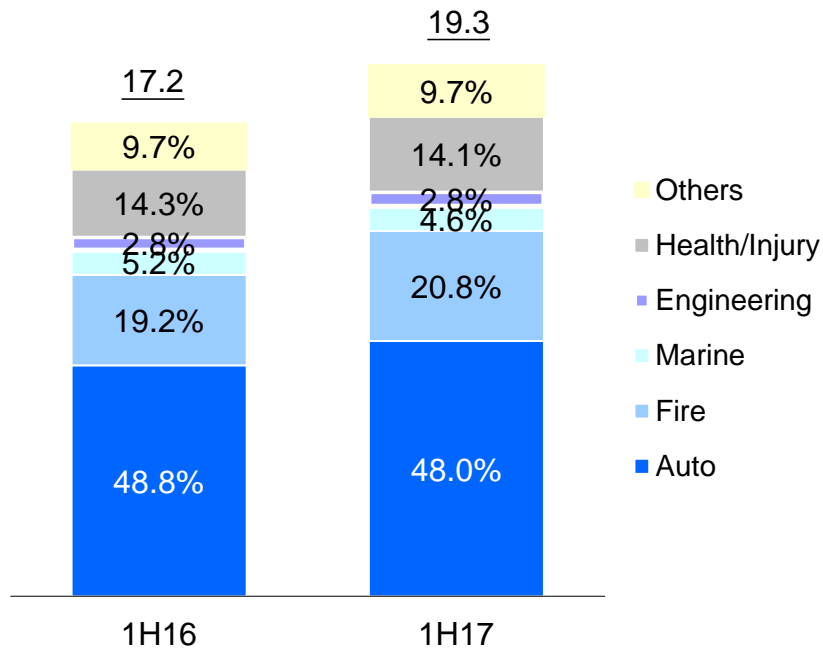
Fubon Insurance: Operating snapshot



- Premium growth outperformed industry. Top 1 position in premium market share
- Outstanding underwriting performance with decreasing net combined ratio

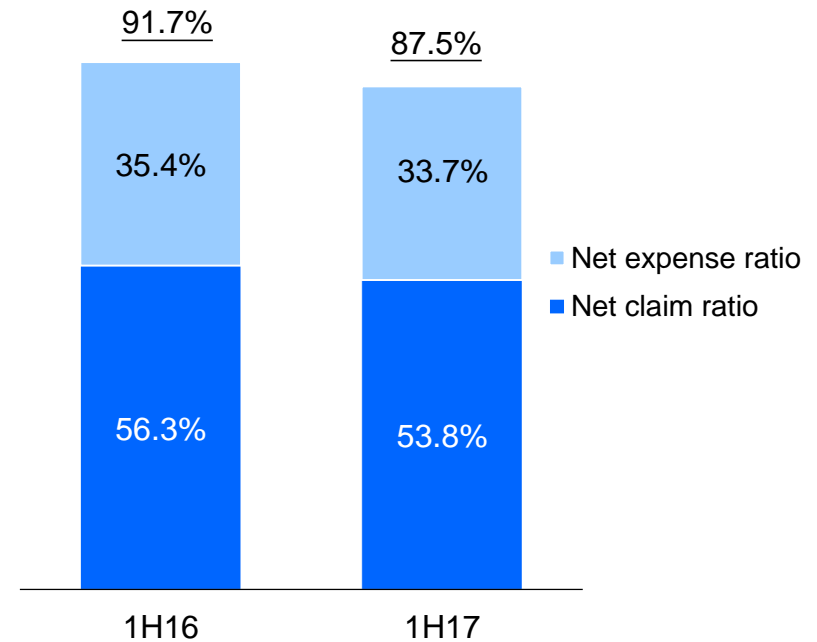
Direct written premium by product

NT\$bn



Note: Standalone basis

Net combined ratio



Note: Exclusive of auto compulsory due to the claims are reimbursed

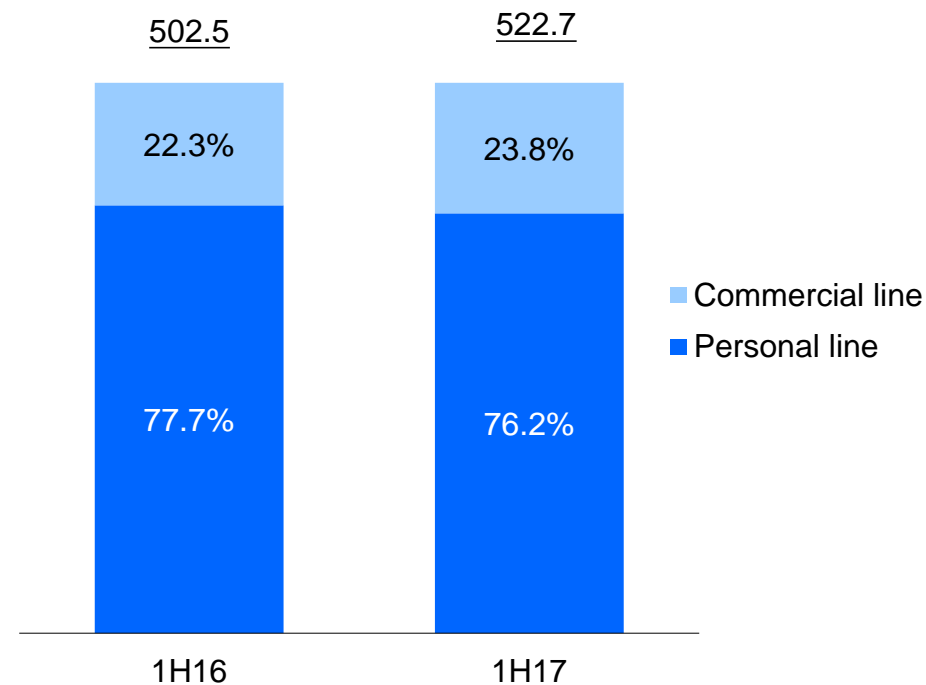
Fubon P&C (China): Business progress



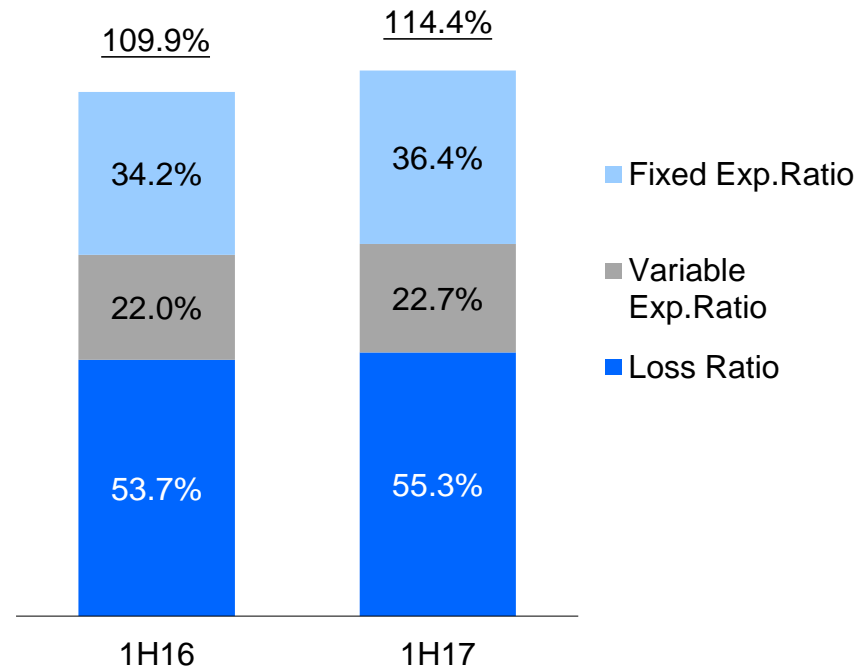
- 56 offices located in Xiamen, Fujian, Xiamen, Dalian, Liaoning etc.
- Top five foreign P&C insurance in China in terms of premium market share

Gross written premium

RMB\$m



Net combined ratio



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Fubon Securities: Financial highlights



- Franchise optimization to enhance market position
- Completion of the largest CB issuance this year from Highwealth Construction
- ETF AUM and product lines continue expanding

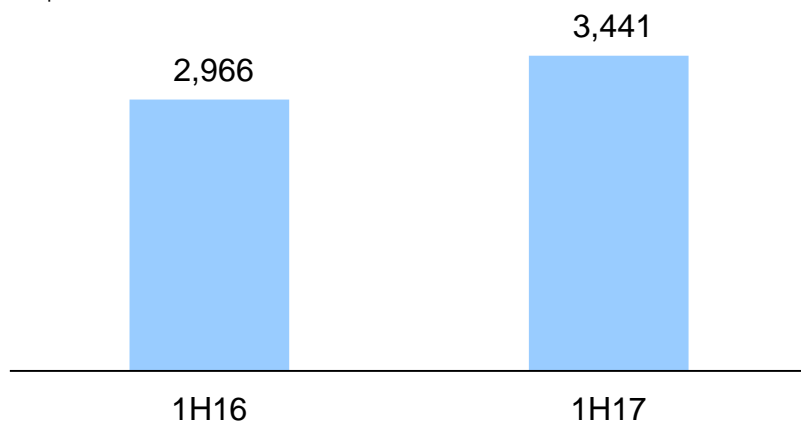
Market share & ranking

	1H17	Ranking	1H16	Ranking
Brokerage per branch*	0.125%	1	0.094%	2
Market Share of SPO	33.06%	1	8.83%	5
AUM of ETF (NT\$m)	63,400	2	60,300	2
Emerging stock trading	17.72%	2	20.13%	2
Brokerage	6.07%	3	5.16%	3

Note: *Ranking among top 10 brokers

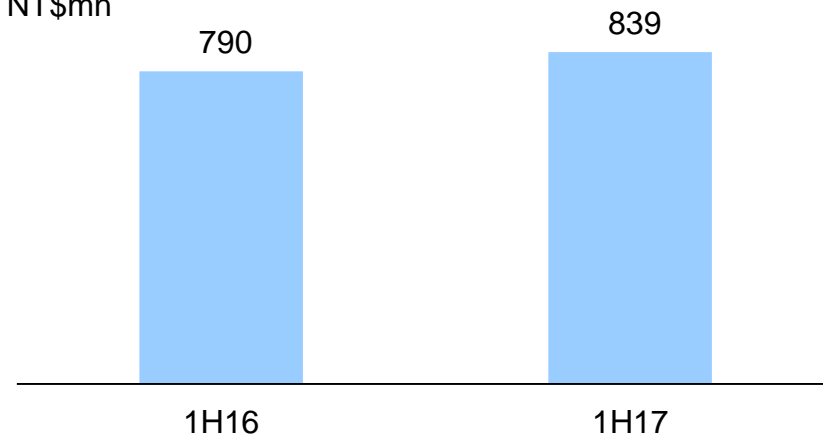
Operating revenue

NT\$m



Net profits

NT\$m



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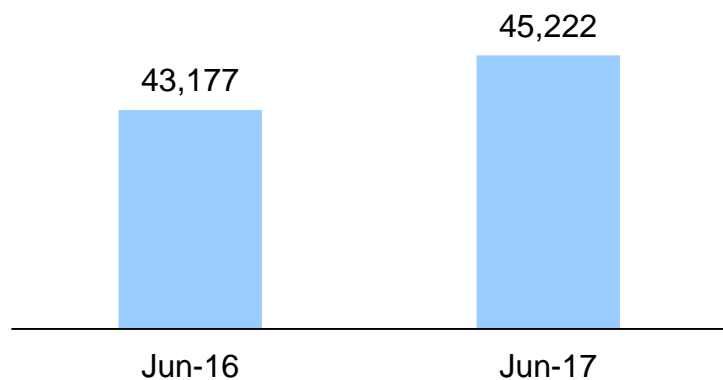


Fubon Bank (Hong Kong): Key balance sheet items



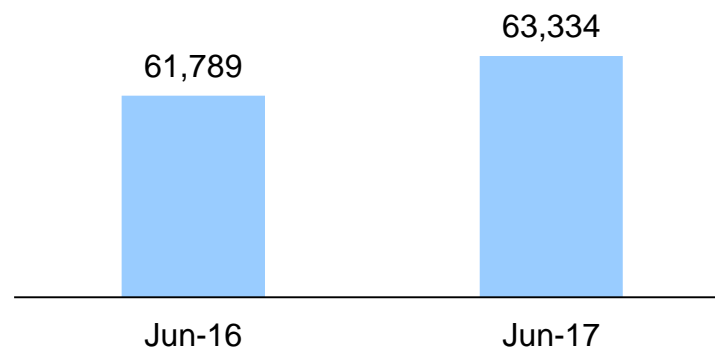
Loans

HK\$m



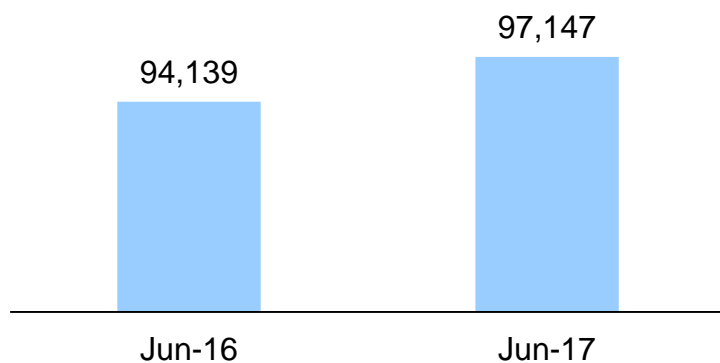
Deposits

HK\$m



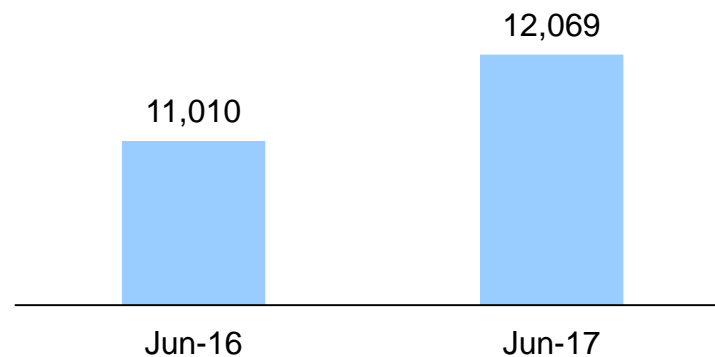
Assets

HK\$m



Net worth

HK\$m



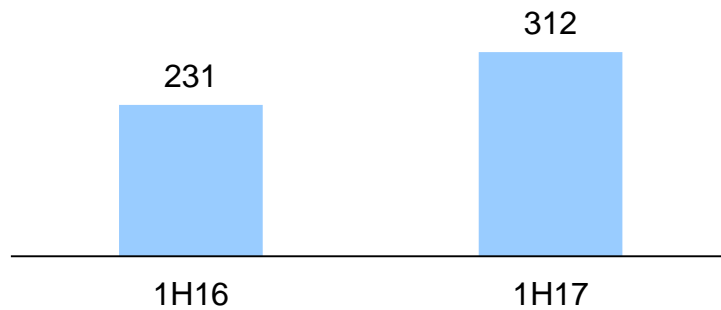
Fubon Bank (Hong Kong): Financial highlight



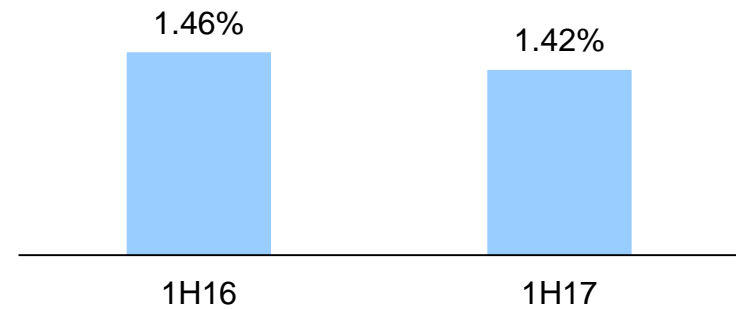
- Net profits up by 35% with net interest income increase and lower provisions
- Asset quality stable with coverage ratio improvement continues

Net Profits

HK\$m

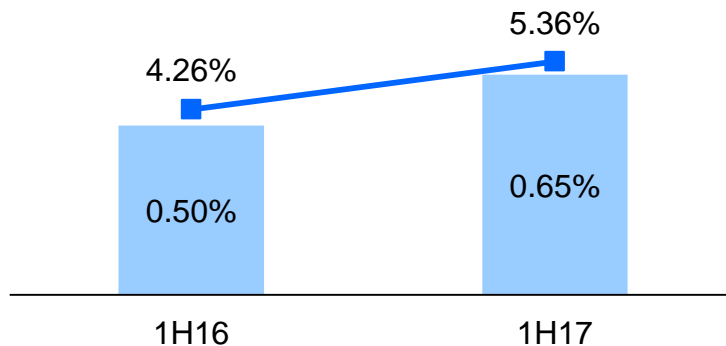


NIM



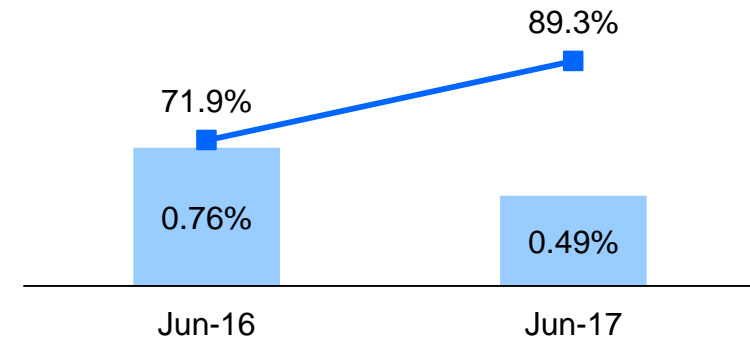
ROAA & ROAE¹

ROAA ROAE



NPL ratio & Coverage ratio²

NPL ratio Coverage ratio



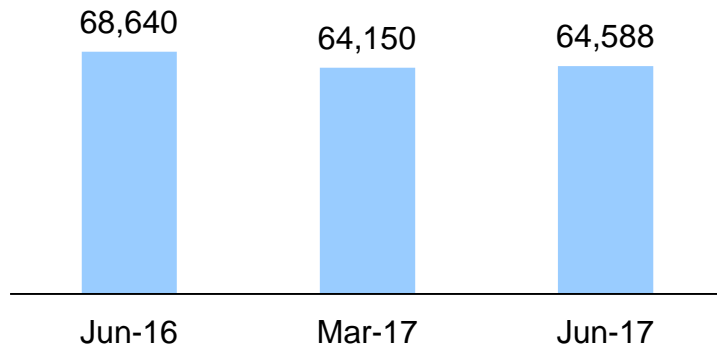
Note: (1) ROAA and ROAE are annualized basis; (2) Coverage ratio = (Allowance for loan losses + Secured balance) / NPL

Fubon Bank (China): Key balance sheet items



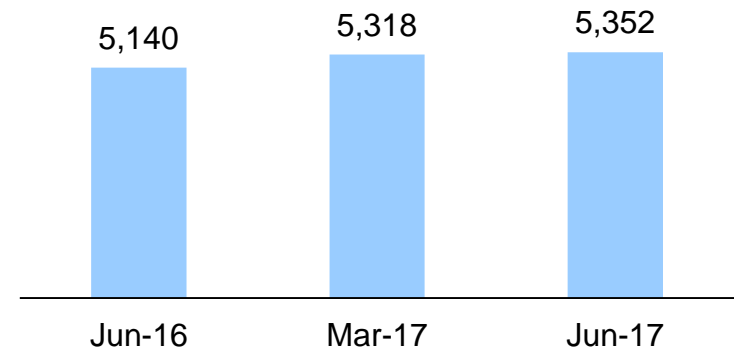
Assets

RMB\$m



Net worth

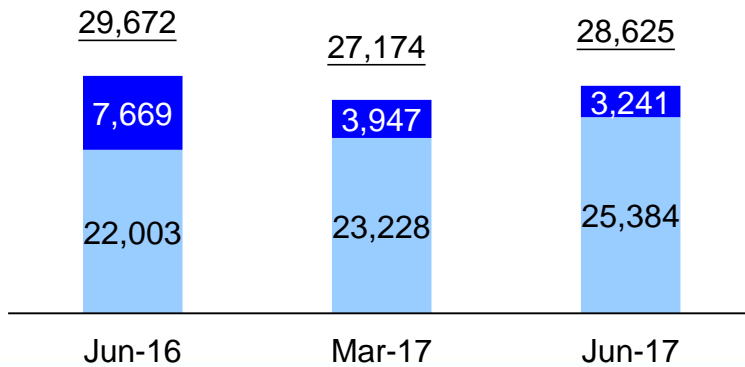
RMB\$m



Loans

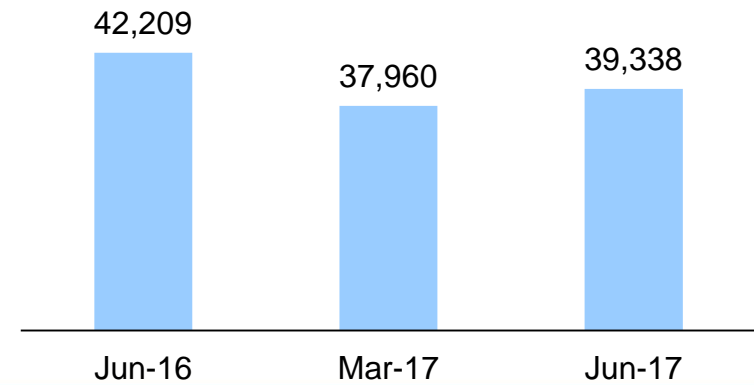
RMB\$m

■ Rediscount ■ Loans (excluding rediscount)



Deposits

RMB\$m



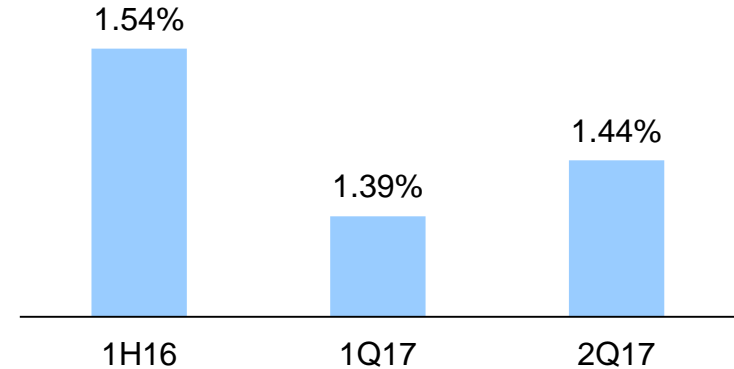
Fubon Bank (China): Financial highlight



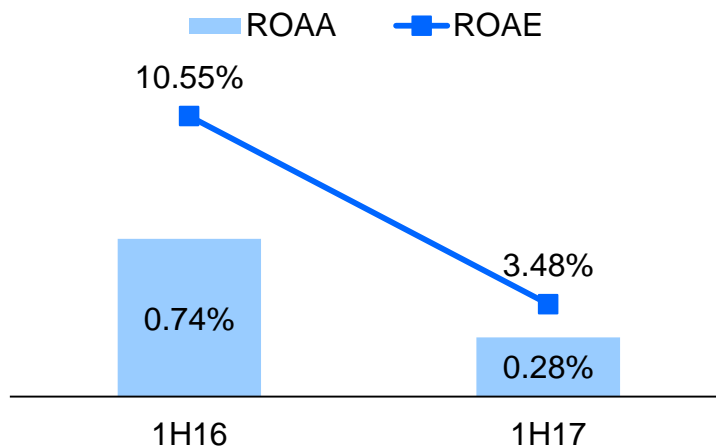
Net Profits



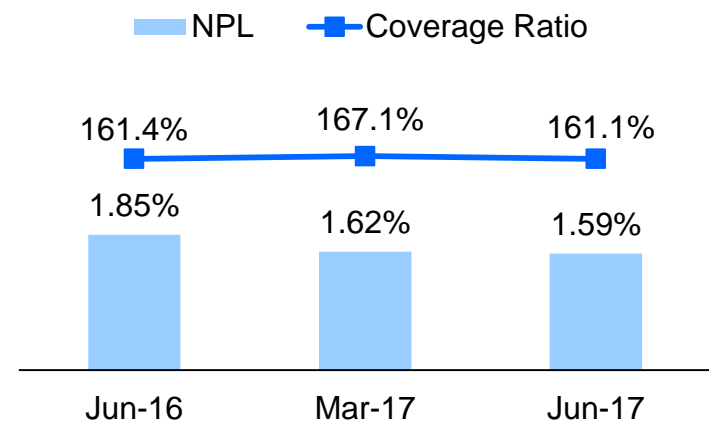
NIM



ROAA & ROAE



NPL ratio & Coverage ratio



Note: ROAA and ROAE are annualized basis

Fubon Bank (China): Business outlook



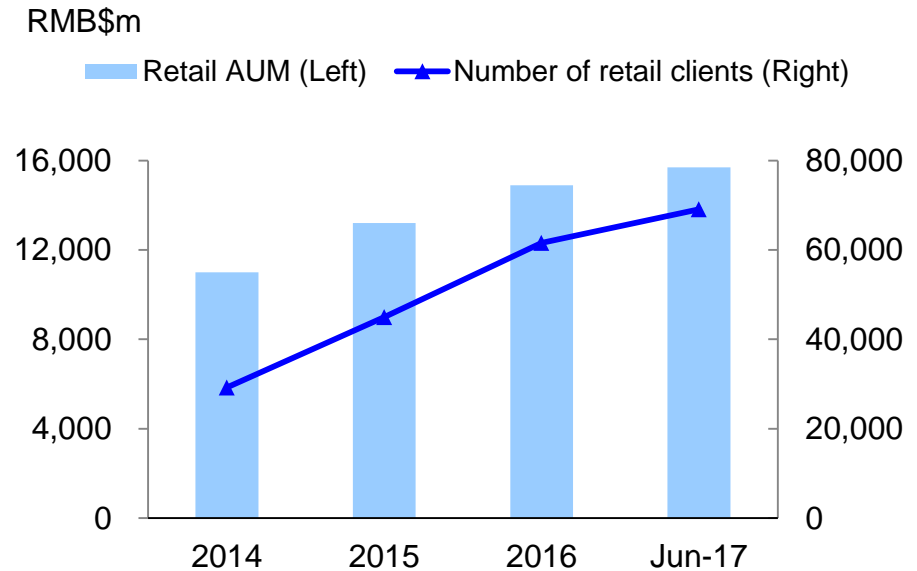
- Local retail business on back of RMB retail license

- Local retail business launched in Shanghai by end-September and across all branches by year-end
- Growth opportunities in demand deposits, wealth management, consumer loans, and on-line business integration

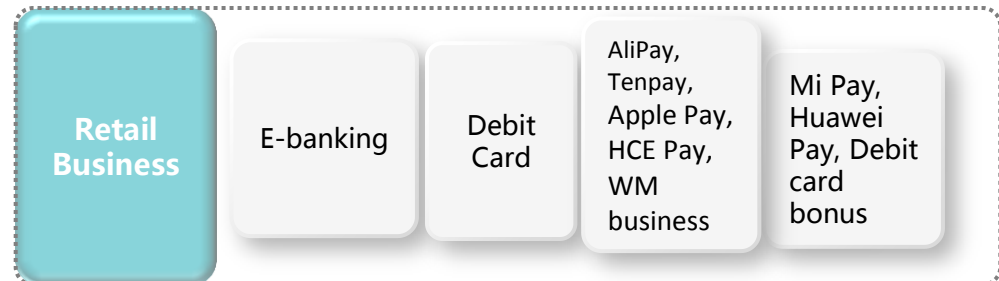
- SME expansion

- Cooperate with SME credit guarantee fund of Shanghai City
- Sector focus

AUM



CASA ratio	2014	2015	2016	Jun-17
	22%	26%	29%	34%





Thank you

Fubon Financial - Financial summary

<i>NT\$ millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
Income Statement Data								
Net interest income	54,873	52,203	5.1%	27,782	27,091	105,777	94,965	11.4%
Insurance income	146,192	157,859	-7.4%	61,371	84,821	294,382	264,088	11.5%
Net gains (losses) on FX and financial assets	10,260	20,771	-50.6%	8,073	2,187	38,094	73,991	-48.5%
Others	(2,154)	(3,150)	-31.6%	(873)	(1,281)	670	(2,801)	N.M.
Net revenue	209,171	227,683	-8.1%	96,353	112,817	438,923	430,243	2.0%
Bad debt expense and reserve for guarantee	(1,145)	(1,300)	-11.9%	(777)	(369)	(2,608)	(1,212)	115.2%
Net change in insurance reserve	(160,820)	(170,155)	-5.5%	(71,263)	(89,557)	(324,613)	(296,913)	9.3%
Operating expense	(27,057)	(28,093)	-3.7%	(13,661)	(13,396)	(57,021)	(54,300)	5.0%
Income before tax	20,148	28,135	-28.4%	10,652	9,496	54,680	77,818	-29.7%
Net income	18,643	23,893	-22.0%	8,793	9,850	48,575	63,806	-23.9%
Net income to parent company	18,690	23,711	-21.2%	8,811	9,879	48,421	63,593	-23.9%
Balance Sheet Data								
Total assets	6,584,585	6,160,793	6.9%	6,584,585	6,360,870	6,351,258	5,987,468	6.1%
Equity attributable to parent company	447,122	437,032	2.3%	447,122	436,296	426,820	367,622	16.1%
Outstanding common shares (million shares)	10,234	10,234	0.0%	10,234	10,234	10,234	10,234	0.0%
Key Metrics								
ROA	0.58%	0.79%		0.54%	0.62%	0.79%	1.12%	
ROE	8.55%	11.79%		8.07%	9.16%	12.19%	16.40%	
Equity / assets	6.80%	7.23%		6.80%	6.86%	6.72%	6.28%	
Double leverage	116.03%	112.60%		116.03%	115.33%	115.58%	120.55%	
Capital adequacy ratio	116.56%	127.00%				133.00%	124.83%	
Cash dividend per share						2.00	2.00	

Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
<u>Income statement data</u>								
Interest income	21,697	22,041	-1.6%	11,021	10,676	42,709	46,647	-8.4%
Interest expense	(10,426)	(10,339)	0.8%	(5,394)	(5,032)	(19,855)	(23,294)	-14.8%
Net interest income	11,271	11,702	-3.7%	5,627	5,644	22,854	23,352	-2.1%
Net fee income	6,041	6,446	-6.3%	2,667	3,374	11,996	11,649	3.0%
Other income	3,872	3,502	10.6%	2,451	1,421	5,822	7,367	-21.0%
Total net revenue	21,184	21,651	-2.2%	10,746	10,439	40,672	42,369	-4.0%
Operating expenses	(10,365)	(10,283)	0.8%	(5,210)	(5,156)	(20,981)	(20,690)	1.4%
Pre-provision profits	10,819	11,368	-4.8%	5,536	5,283	19,691	21,679	-9.2%
Provision for credit losses	(781)	(594)	31.6%	(577)	(204)	(1,372)	(177)	676.4%
Income before tax	10,038	10,774	-6.8%	4,958	5,079	18,319	21,502	-14.8%
Net income	8,753	9,209	-5.0%	4,349	4,405	15,272	18,606	-17.9%
Net income to parent company	8,635	8,647	-0.1%	4,302	4,333	14,466	17,783	-18.7%
<u>Balance sheet data</u>								
Loans and discounts	1,310,670	1,339,460	-2.1%	1,310,670	1,288,945	1,289,861	1,353,533	-4.7%
Deposits and remittances	1,953,213	1,813,143	7.7%	1,953,213	1,859,336	1,877,778	1,813,356	3.6%
Allowance for loan losses*	15,286	14,449	5.8%	15,286	14,739	14,666	14,651	0.1%
Total assets	2,489,210	2,364,792	5.3%	2,489,210	2,396,147	2,414,226	2,409,836	0.2%
Equity attributable to parent company	172,419	170,357	1.2%	172,419	177,644	174,634	165,696	5.4%
<u>Key metrics</u>								
ROA	0.71%	0.77%		0.71%	0.73%	0.63%	0.81%	
ROE	9.95%	10.29%		9.92%	9.84%	8.50%	11.21%	
Equity / assets	7.66%	8.02%		7.66%	8.16%	8.01%	7.69%	
Cost / income ratio	-48.93%	-47.49%		-48.48%	-49.39%	-51.59%	-48.83%	
NPL ratio*	0.20%	0.18%		0.20%	0.20%	0.20%	0.15%	
Reserve / NPL*	657.81%	678.90%		657.81%	641.81%	652.12%	816.37%	
Tier 1 ratio*	11.60%	11.86%				12.57%	11.30%	
BIS ratio*	13.25%	13.91%				14.40%	13.44%	

Note: Data mark with * are stand-alone basis

Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
<u>Income statement data</u>								
First year premium	91,209	116,064	-21.4%	42,836	48,373	204,283	205,282	-0.5%
Retained earned premium	243,313	243,553	-0.1%	117,431	125,882	468,608	440,297	6.4%
Total investment income	52,563	60,841	-13.6%	26,317	26,246	124,327	130,256	-4.6%
Recurring investment income	50,200	49,914	0.6%	26,997	23,203	106,072	101,040	5.0%
Other investment income	2,363	10,927	-78.4%	(681)	3,043	18,255	29,216	-37.5%
Realized gains (losses) from fixed income	7,693	13,585	-43.4%	3,291	4,401	23,933	9,870	142.5%
Realized gains (losses) from equity	13,009	3,652	256.2%	4,352	8,657	10,292	22,622	-54.5%
FX and others	(18,386)	(6,948)	164.6%	(8,295)	(10,091)	(15,705)	(3,629)	332.8%
Investment property fair value movement	47	638	-92.6%	(29)	76	(265)	353	N.M.
Other income	1,041	1,185	-12.2%	537	504	2,131	2,159	-1.3%
Total operating revenue	296,917	305,579	-2.8%	144,284	152,632	595,066	572,711	3.9%
Retained claim payment	104,009	91,723	13.4%	59,646	44,363	185,979	187,601	-0.9%
Net commission expense	13,166	18,749	-29.8%	5,613	7,553	33,625	26,093	28.9%
Net change in insurance liability	164,010	172,127	-4.7%	70,794	93,216	327,464	292,665	11.9%
General and administrative expense	7,923	8,548	-7.3%	3,987	3,936	17,179	15,526	10.6%
Other operating costs	1,678	941	78.2%	710	968	2,035	1,932	5.3%
Total operating costs and expenses	290,786	292,088	-0.4%	140,750	150,036	566,282	523,816	8.1%
Net non-operating income / (expenses)	56	225	-75.1%	70	(14)	489	518	-5.5%
Income before tax	6,187	13,716	-54.9%	3,605	2,582	29,274	49,413	-40.8%
Net income	8,600	12,995	-33.8%	4,590	4,010	28,688	41,018	-30.1%
Net income to parent company	8,600	12,995	-33.8%	4,590	4,010	28,688	41,018	-30.1%
<u>Balance sheet data</u>								
Total assets	3,511,526	3,223,464	8.9%	3,511,526	3,399,391	3,353,560	3,035,563	10.5%
Total assets (general account)	3,363,318	3,086,914	9.0%	3,363,318	3,256,156	3,211,026	2,900,201	10.7%
Insurance liabilities	3,018,120	2,813,256	7.3%	3,018,120	2,944,874	2,902,374	2,656,145	9.3%
Total liabilities	3,270,064	2,998,289	9.1%	3,270,064	3,179,307	3,140,085	2,852,781	10.1%
Total liabilities (general account)	3,121,857	2,861,739	9.1%	3,121,857	3,036,072	2,997,551	2,717,419	10.3%
Equity attributable to parent company	241,461	225,175	7.2%	241,461	220,084	213,474	182,782	16.8%
<u>Key matrices</u>								
ROA	0.50%	0.83%		0.53%	0.48%	0.90%	1.41%	
ROE	7.56%	12.74%		8.07%	7.40%	14.48%	20.19%	
Equity / Assets	6.88%	6.99%		6.88%	6.47%	6.37%	6.02%	
Claims and benefits ratio	42.75%	37.66%		50.79%	35.24%	39.69%	42.61%	
Expense ratio	3.26%	3.51%		3.40%	3.13%	3.67%	3.53%	
Persistency ratio - 13th month	97.95%	95.93%		97.95%	97.29%	96.25%	96.66%	
Persistency ratio - 25th month	93.69%	93.37%		93.69%	93.77%	94.09%	92.07%	

Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
<u>Income statement data</u>								
Direct written premiums	21,657	19,627	10.3%	11,116	10,541	38,172	35,016	9.0%
Retention of earned premiums	15,890	14,516	9.5%	8,006	7,884	29,577	27,139	9.0%
Net income from investment	1,492	1,319	13.1%	1,080	412	2,754	2,811	-2.0%
Other operating revenue	722	734	-1.7%	364	358	1,440	1,295	11.2%
Retained insurance payments	8,394	7,896	6.3%	4,119	4,275	16,216	14,250	13.8%
Net change in liability reserve	442	71	519.2%	325	117	363	656	-44.6%
Commission and operating expenses	7,147	6,776	5.5%	3,604	3,543	13,769	12,772	7.8%
Non-Operating Income	(92)	(54)	71.3%	(49)	(43)	(158)	(96)	65.4%
Income before tax	2,030	1,772	14.5%	1,355	675	3,266	3,472	-5.9%
Net income	1,755	1,451	21.0%	1,209	546	2,672	2,839	-5.9%
Net income to parent company	1,891	1,594	18.7%	1,257	634	3,119	3,213	-2.9%
<u>Balance sheet data</u>								
Total assets	99,400	97,868	1.6%	99,400	98,532	98,470	89,213	10.4%
Investment assets	65,839	64,343	2.3%	65,839	65,083	64,900	64,689	0.3%
Policy reserve	54,902	54,299	1.1%	54,902	53,981	54,310	47,470	14.4%
Equity attributable to parent company	29,614	29,542	0.2%	29,614	30,556	29,531	28,677	3.0%
<u>Summary ratios</u>								
ROA	3.55%	3.10%		4.89%	2.22%	2.85%	6.36%	
ROE	12.79%	10.95%		17.00%	8.44%	10.72%	22.41%	
Total investment return	4.56%	4.09%		6.61%	2.53%	4.25%	8.69%	
Solvency margin (NWP/equity)	114.30%	104.62%		114.51%	110.58%	104.51%	97.95%	
Retention ratio	73.77%	73.05%		72.04%	75.60%	75.36%	75.30%	

Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
<u>Income statement data</u>								
Brokerage commissions	1,630	1,356	20.2%	852	778	2,728	3,044	-10.4%
Net interest income	490	459	7.0%	248	242	901	942	-4.3%
Fee income	334	113	195.8%	190	145	336	298	12.8%
Net principal transactions and financial products gains	452	322	40.5%	268	183	501	324	54.6%
Other income	535	717	-25.4%	315	220	1,691	1,419	19.2%
Total operating revenue	3,441	2,966	16.0%	1,873	1,569	6,157	6,025	2.2%
Total operating expense	(2,795)	(2,526)	10.7%	(1,461)	(1,334)	(5,375)	(5,216)	3.1%
Net non-operating income / (expenses)	326	400	-18.6%	149	177	811	685	18.5%
Income before tax	972	841	15.7%	560	412	1,594	1,494	6.7%
Net income	839	790	6.2%	494	345	1,504	1,348	11.5%
Net income to parent company	839	790	6.2%	494	345	1,504	1,348	11.5%
<u>Balance sheet data</u>								
Margin loans	12,577	11,108	13.2%	12,577	12,554	11,142	11,950	-6.8%
Total assets	117,421	99,465	18.1%	117,421	103,532	101,278	84,481	19.9%
Equity attributable to parent company	32,736	32,657	0.2%	32,736	33,056	32,575	31,576	3.2%
<u>Key metrics</u>								
ROA	1.53%	1.72%		1.81%	1.35%	1.62%	1.75%	
ROE	5.14%	4.92%		6.05%	4.21%	4.69%	4.29%	
Equity / assets	27.88%	32.83%		27.88%	31.93%	32.16%	37.38%	
Expenses / revenues	-81.21%	-85.16%		-78.03%	-85.02%	-87.30%	-86.57%	
Margin loans / total assets	10.71%	11.17%		10.71%	12.13%	11.00%	14.14%	
Margin loans / shareholders' equity	38.42%	34.01%		38.42%	37.98%	34.20%	37.84%	

Fubon Bank (Hong Kong) - Financial Summary

<i>HK\$ millions, except for percentages</i>	1H17	1H16	YoY	2016	2015	YoY
<u>Income Statement Data</u>						
Interest income	1,053	936	12.5%	1,925	1,809	6.4%
Interest expense	(459)	(370)	23.8%	(756)	(736)	2.7%
Net interest income	594	566	5.0%	1,169	1,073	8.9%
Net fee income	166	184	-9.6%	364	353	3.1%
Other income	0	13	-97.9%	57	78	-26.6%
Total revenue	761	763	-0.3%	1,590	1,504	5.7%
Operating expenses	(469)	(472)	-0.6%	(957)	(1,027)	-6.8%
Provision for loan losses/ write-back	(24)	(147)	-83.7%	(224)	(58)	285.8%
Net non-operating income	104	129	-19.0%	300	194	54.4%
Income before tax	372	273	36.4%	708	613	15.5%
Net income	312	231	34.9%	635	522	21.7%
<u>Balance Sheet Data</u>						
Gross loans	45,222	43,177	4.7%	43,578	42,570	2.4%
Customers Deposits	63,334	61,789	2.5%	63,564	58,385	8.9%
Allowance for loan losses	265	202	31.1%	259	75	243.5%
Total assets	97,147	94,139	3.2%	95,648	90,993	5.1%
Shareholders' equity	12,069	11,010	9.6%	11,373	10,806	5.2%
<u>Key metrics</u>						
Return on average assets	0.65%	0.50%		0.68%	0.60%	
Return on average equity	5.36%	4.26%		5.72%	4.92%	
Equity / assets	12.42%	11.69%		11.89%	11.88%	
Net fee income / total revenue	21.81%	24.06%		22.90%	23.47%	
Cost / income ratio	-61.63%	-61.84%		-60.19%	-68.29%	
NPL ratio	0.49%	0.76%		0.77%	0.52%	
Reserve / NPL	118.37%	61.76%		77.41%	33.95%	
Gross Loans/Customers Deposits ratio	71.40%	69.88%		68.56%	72.91%	
Tier 1 ratio	12.64%	11.92%		12.60%	11.81%	
BIS ratio	16.53%	16.33%		17.02%	16.62%	

Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	1H17	1H16	YoY	2Q17	1Q17	2016	2015	YoY
<u>Income Statement Data</u>								
Interest income	963	1,046	-8.0%	491	472	2,011	2,232	-9.9%
Interest expense	(819)	(834)	-1.8%	(420)	(399)	(1,618)	(1,925)	-16.0%
Net interest income	144	212	-32.2%	71	73	393	307	28.1%
Net fee income	35	64	-44.7%	19	16	109	120	-9.5%
Other income	279	353	-21.0%	130	148	619	669	-7.4%
Operating expenses	(344)	(258)	33.4%	(171)	(172)	(595)	(519)	14.7%
Pre-provision profits	114	371	-69.3%	49	65	526	577	-8.8%
Provision for credit losses	0	(32)	N.M.	0	(0)	(1)	(84)	-98.7%
Income before tax	114	339	-66.4%	49	65	525	493	6.4%
Net income	93	264	-65.0%	41	52	412	390	5.6%
<u>Balance Sheet Data</u>								
Loans	28,625	29,672	-3.5%	28,625	27,174	27,814	30,822	-9.8%
Deposits	39,338	42,209	-6.8%	39,338	37,960	40,210	46,013	-12.6%
Total assets	64,588	68,640	-5.9%	64,588	64,150	68,154	73,647	-7.5%
Total equity	5,352	5,140	4.1%	5,352	5,318	5,286	4,879	8.3%
<u>Key metrics</u>								
ROA	0.28%	0.74%		0.25%	0.31%	0.58%	0.58%	
ROE	3.48%	10.55%		3.05%	3.91%	8.11%	8.28%	
Equity / assets	8.29%	7.49%		8.29%	8.29%	7.76%	6.63%	
Cost / income ratio	64.68%	38.07%		64.68%	62.50%	48.84%	43.72%	
NPL ratio	1.59%	1.85%		1.59%	1.62%	1.60%	1.04%	
Reserve / NPL	161.14%	161.43%		161.14%	167.08%	165.09%	265.11%	
Loan to deposit ratio (Renminbi)	73.51%	68.65%		73.51%	73.20%	73.51%	74.91%	
Tier 1 ratio	12.37%	12.81%		12.37%	12.91%	13.04%	12.59%	
BIS ratio	13.01%	13.63%		13.01%	13.63%	13.76%	13.73%	